United States Department of Agriculture

Federal Crop Insurance Corporation

FCIC-20300U
(01-2018)

PECAN TREE CROP INSURANCE STANDARDS HANDBOOK

2019 and Succeeding Crop Years

RISK MANAGEMENT AGENCY
KANSAS CITY, MO

TITLE: PECAN TREE CROP INSURANCE STANDARDS HANDBOOK	**NUMBER: 20300U**
EFFECTIVE DATE: 2019 and succeeding Crop Years	**ISSUE DATE: January 31, 2018**
SUBJECT: Provides the procedures and instructions for administering the Pecan Tree crop insurance program	**OPI: Actuarial and Product Design Division** **APPROVED: January 31, 2018** ***/s/ Richard H. Flournoy*** Deputy Administrator for Product Management

REASON FOR ISSUANCE

Major Changes: See changes or additions in text which have been highlighted. Three stars (***) identify where information has been removed.

1. Para. 13G: Clarified the end of the insurance period based on applicable provisions in the BP.

2. Para. 21: Revised the Type reference for native and seedling trees (removed Group IV and V from the type description).

3. Para. 22: Clarified the scope of "wind" as a cause of loss with tornados and hurricanes being examples events causing wind damage.

4. Para. 24: Provided additional instructions applicable to measuring the diameter of trees, including a formula for converting circumference measurements to diameter measurements.

5. Para. 31B: Updated crop years and corrected provision designations to (5)(d), (e), and (f). Removed the 2018 provision (f) as it repeated information contained elsewhere on the paragraph.

6. Part 5: Added Part, Multiple Program Benefits under the TAP and NAP programs.

7. Exhibit 2: Revised definitions for dehorn and CTV damage value to correspond to changes in the CP and CTV Endorsement.

8. Exhibit 7: Added instruction regarding the use of a diameter measurement tape.

9. Exhibit 8: Provided the formula for converting circumference measurements to diameter measurements. Added instructions regarding rounding at breakpoints between stages.

10. Exhibit 8 and 9: Updated crop years in example revenue worksheet and calculation example.

11. Exhibit 11: Added exhibit containing AIP questions with applicable responses.

PECAN TREE CROP INSURANCE STANDARDS HANDBOOK

CONTROL CHART

Pecan Tree Crop Insurance Standards Handbook							
	TP Page(s)	TC Page(s)	Text Page(s)	Exhibit Number	Exhibit Page No.(s)	Date	Directive Number
Remove	Entire Handbook						
Current Index	1-2	1-2	1-22	1-11	23-87	01-2018	FCIC-20300U

FILING INSTRUCTIONS

This handbook replaces the FCIC-20300U and FCIC-20300-1U Pecan Crop Insurance Standards Handbook, dated January and March 2017. This handbook is effective for the 2019 and succeeding crop years and is not retroactive to 2018 crop year determinations.

PECAN TREE CROP INSURANCE STANDARDS HANDBOOK
TABLE OF CONTENTS

PAGE NO.

PART 1 GENERAL INFORMATION AND RESPONSIBILITIES

1 Purpose

The purpose of this UG is to provide supplementary instructions for establishing PCT crop insurance coverage in accordance with the PCT CP (19-PCT), PCT LASH (FCIC-20300L), and the CIH (FCIC-18010).

In the course of delivering PCT crop insurance, AIPs may develop forms based on their internal needs. The forms must be developed according to RMA's approved standards contained in this handbook or as specified in the FCIC 24040, DSSH, and provide all required information. Standards and examples contained in this handbook do not contain required statements. Refer to the FCIC 24040 to determine the applicable statements to be included on each form. The Collection of Information and Data (Privacy Act) Statement and the Nondiscrimination Statement must be included on any form the insured signs or must be provided to the insured on a separate form, for each form that is signed by the insured. A copy must be maintained by the AIP. The Certification Statement must be included on any form that the insured signs that collects information from the producer.

2 General Rules

In general, the FCIC 18010 Crop Insurance Handbook (CIH) applies to pecan trees. Exceptions, changes, and additions are referenced in this supplement.

The PCT insurance program is a Tree Based Dollar Amount of Insurance Crop (Plan Code 40) program. The terminology and instructions contained in the CIH that apply to the completion of forms and responsibilities of the AIP and the insured apply to the PCT program.

3 Background Information

RMA is implementing the PCT program for all insurable pecan trees beginning with the 2018 crop year. The program is patterned after other tree-based dollar crop programs and provides an indemnity for trees that are either damaged or destroyed by freeze, wind (e.g. hurricane, tornado, etc.), freezing rain (ice damage), and other listed perils during the insurance period. The program's insurance coverage is based on a specified dollar amount of insurance per tree.

4-10 (Reserved)

PART 2 INSURABILITY

11 Availability

The PCT program is available for counties contained in the actuarial documents for Alabama, Arkansas, Florida, Georgia, Kansas, Louisiana, Mississippi, Missouri, New Mexico, Oklahoma, South Carolina, and Texas.

Written agreements are not allowed under the PCT program.

12 Eligibility

A. PCT Program

The PCT program is available to all persons with a share in a commercial PCT orchard meeting the insurability provisions contained in the BP, PCT CP, and SP and is located in approved states and counties.

B. Ineligible Persons

Any person with a delinquent debt to RMA or an AIP, or who is otherwise ineligible under the BP may not obtain PCT insurance coverage.

13 Important Dates

A. Contract Change Date

January 31 preceding the CD.

B. Sales Closing Date

May 15.

C. Cancellation and Termination Dates

June 30 before the beginning of the crop year.

D. Premium Billing Date

March 1 of the calendar year in which the insurance period ends.

E. Acreage Reporting Date

For new and carryover insureds, May 15.

F. Beginning of the Insurance Period Dates

(1) For new policies: On July 1 following the SCD date unless the AIP notifies the insured that all or a part of the insured's trees are not insurable; and

(2) For carryover policies: July 1 of the crop year.

G. End of the Insurance Period

The insurance period ends for the crop year:

13 Important Dates (Continued)

(1) With the occurrence of any event specified in section 11(b)(1) and (b)(3) – (6) of the BP that affects any of the trees within a unit. Coverage only remains in effect on trees that have not been affected by an event specified in BP [section 11(b)] and CP [section 10(b)]; or

(2) On June 30 of the crop year.

See section 11 of the BP for additional end of insurance provisions.

14 Coverage Levels and Policy Changes

A. Coverage Levels

The insured may select only one coverage level for the PCT, as specified in Section 3 of the CP.

B. Policy Changes

Changes to the insurance coverage that would become effective for the current crop year are limited as follows:

(1) Changes may not be made after the SCD.

(2) In subsequent years, for carryover policies, the insured may elect for the crop year on the applicable form by the SCD/ARD:

(a) A higher coverage level;

(b) To add optional coverage (CTVE or OLO);

(c) Increase the insured share; or

(d) Report additional insurable trees. If the amount of protection increases more than ten percent, the additional trees must be inspected and accepted before insurance will attach.

(3) If insured damage is evident at the time the election is made under subparagraph B(2) or if damage occurs after the SCD but before the date insurance coverage attaches for the crop year under subparagraph B(2), then any election or change made under subparagraph (B)(2) will not be effective for the crop year for which the election or reported change was made. Any additional trees reported under subparagraph B(2)(d) will not be insurable.

15 Additional Responsibilities

A. Agent Responsibilities

In addition to the responsibilities discussed in the CIH, the agent will assist the insured in completing the annual acreage report, PAW (PCT), and advise insureds of their responsibility to comply with all of the reporting requirements of the policy.

(1) The agent will assist the insured to ensure that the stage-blocks reported by the insured are established in accordance with the definition of stage found in the CP and the stage table in paragraph 24A of this UG.

(2) The agent will assist the insured in correctly reporting the number of trees by block within the unit by utilizing plat maps, Grove Identification Maps, past acreage reports, and/or other relevant sources.

B. Insured Responsibilities

In addition to the responsibilities discussed in the CIH, the insured must accurately report the number of trees in each unit, by stage-block, on the PAW (PCT) (including planting dates) and the acreage report. Stage-block locations are identified on orchard identification maps (i.e. Grove Identification Maps). If the insured is unable to correctly report this information, the agent should be requested to provide assistance.

16-20 (Reserved)

PART 3 PCT PROVISIONS AND PROGRAM DETAILS

21 Insured Crop

A. Insured Crop (Commodity) and Type

The insured crop (commodity) and types are listed in the SP. The insurable crop and types are shown below:

	Crop	Type
	Pecan Trees	Group I Improved Varieties
		Group II Improved Varieties
		Group III Improved Varieties
***		Native Pecan Trees
***		Seedling Pecan Trees

See the SP for a listing of varieties. Other types may be insurable if specified in the SP.

A single administrative fee is due for the insured crop.

See section 12(c) and section 13(i) of the CP for special insured duties and indemnity determinations for native pecan trees.

B. Insurability

In accordance with section 8 of the CP, the insured crop will be all pecan trees in the county for which a premium rate is quoted in the AD:

(1) That are grown in the county listed on the insured's application;

(2) In which the insured has a share;

(3) That are adapted to the production area;

(4) That are grown in an orchard for the purpose of producing a commodity intended to be sold for human consumption;

(5) That have the potential to produce a yield typical of a healthy tree of the same trunk diameter as the subject trees unless such trees were dehorned, pruned, or hedged; and

(6) That are located in an orchard that contains the minimum number of acres specified in the SP.

C. Exclusions

(1) In addition to the exclusions listed in section 8 of the BP, the insured crop will not include any trees that:

(a) Have not reached the 2nd crop year after the crop year of set out before the date insurance attaches. For example, the trees were set out in the 2017 crop year, insurance for such trees would attach July 1 for the 2019 crop year;

(b) Are native trees that do not have a trunk diameter of at least three inches;

(c) Have been grafted within a 12-month period before the date insurance attaches, unless the grafting is a result of rehabilitation;

(d) Are unsound, diseased, or unhealthy;

(e) For stage I – III trees, are toppled or leaning to the extent that reset is required, if practical, and such trees are not reset (see the definition of reset);

(f) For stage IV – V trees, are toppled or leaning;

(g) Were damaged before the beginning of the insurance period. (If trees suffered such damage the previous crop year, then insurance will not attach until the previous year's damage is determined, the insured submits a revised acreage report, and the trees are inspected and accepted by the AIP. A loss adjustment damage appraisal for the previous crop year will satisfy the inspection requirement.); or

(h) Are inspected by the AIP and considered unacceptable.

(2) In addition to the exclusions listed in section 8(b) of the CP, insurance will not be provided for:

(a) Blocks in which at least 25 percent of the:

(i) Trees are planted at a depth below the depth grown in the nursery or where the graft union is below the soil surface; or

(ii) Acreage is subject to poor drainage or ponding of water; or

(b) Any trees the insured intends to sequentially thin during the current crop year.

D. Insurable Acreage

(1) Pecan trees interplanted with other perennial crops are insurable unless the AIP inspects the acreage and determine it is not insurable.

(2) Each insurable block must contain the minimum number of trees per acre specified in the SP, if applicable.

22 Causes of Loss

A. Crop Provisions – Insured Causes

The CP provide crop insurance coverage only against the following causes of loss that occur within the insurance period:

(1) Wind (e.g., tornado, hurricane, etc.);

(2) Unless otherwise provided on the SP, freeze damage on:

(a) Trees that are in the third through fifth crop years after the crop year in which the trees were set out. For example, the crop year of set out is 2018; the third through the fifth crop years are 2021 – 2023; and

(b) Native trees with a trunk diameter between three and seven inches;

(3) Freezing rain (ice damage);

(4) Drought if allowed on the SP resulting in the dying or death of the trees;

(5) Flood;

(6) Fire, unless weeds and other forms of undergrowth have not been controlled or pruning debris removed; or

(7) Failure of the water supply caused by an insured peril, drought, or high salt levels in the water supply sufficient to cause damage to the trees (i.e. dying or tree death).

B. Crop Provisions – Exclusions

In addition to causes of loss excluded in Section 12 of the BP, any damage other than actual damage to the tree due to the causes specified above is not insured.

23 Establishing the Amount of Protection and Unit Value

A. Amount of Protection (unit)

The dollar amount of protection for the unit calculated by multiplying the number of insurable trees reported by the insured in each stage-block times the applicable reference price for the stage and restoration method (RM1 or RM2), as reported on the acreage report, totaling these values, and then multiplying this result times the insured's coverage level.

(1) The applicable reference price is the RM1 or RM2 Tree Reference Price shown in the AD (see the definition of restoration method) and selected by the insured.

The RM1 or RM2 reference price is selected on a policy basis by the SCD.

(2) Under the CTVE, the applicable reference price is the Maximum CTV Reference Price shown in the AD. (The insured may elect to provide actual sales records to determine CTV Reference Prices. See paragraph 31B.)

B. The unit value is the dollar amount determined for all insurable trees in each stage-block before any tree loss occurs times the applicable reference price for the stage and restoration method (RM1 or RM2), totaling these values (see A(1) and (2) above), and then multiplying this result times the insured's coverage level. The unit value is the basis for the indemnity and calculation of the URF.

24 Establishing Stages

A. Tree Stage: The tree stage is based on the diameter of the trunk at the time insurance attaches. The diameter is measured as 4.5 feet [diameter at breast height (DBH)] unless trunk limbs (two or more large limbs originating from the main trunk from which scaffold

limbs originate) or scaffold limbs emerge from the main trunk at below this height. In this instance, measure the main trunk in an area below the trunk or scaffold limbs where the trunk diameter is uniform and free of trunk abnormalities (e.g. depressions, knots, etc.). Use a standard tape measure and the following formula

$d = C \div \pi$

Where:	Example	
π = 3.14	Unit 1	Unit 2
C = 35.7 inches (Unit 1)	d = 35.7 inches ÷ 3.14	d = 45.8 inches ÷
3.14 45.8 inches (Unit 2)	d = 11.4 inches	d = 14.6 inches

to convert circumference measurements to the applicable diameter to the nearest tenth (do not round if the diameter is 6.01-.05, 10.01-.05, 15.01-.05, or 20.01-.05) or, a diameter measurement tape that specifies the tree diameter based on the tree circumference.

Trees that are pruned or dehorned are reduced to a lower stage (as shown below) and remain at that stage for the number of years required for the tree to recover to the original canopy volume (i.e. size) existing before pruning or dehorning.

Trunk Diameter and Stage at the Beginning of the Crop Year		Number of Crop Years Remaining at the Reduced Stage After the Crop Year of Pruning[1] or Dehorning			
		Pruning		Dehorning	
(Inches)	Original Stage	Reduced Stage	Years[2]	Reduced Stage	Years[2]
≤ 6	I	I	1	I	3
6.01-10.0	II	I	1	I	4
10.01-15.0	III	II	2	I	5
15.01-20.0	IV	II	2	II	5
>20.0	V	III	3	III	5

[1]See A(1) below [2]Crop years remaining

Example: A tree that is 14 inches in diameter is in stage III.

If the tree is dehorned in the 2017 crop year, the tree will be reduced to a stage I tree for the 2018 - 2022 crop years (5 crop years remaining after the crop year of dehorning.). For the 2023 crop year, the stage will be determined based on the tree diameter applicable for the crop year (i.e. if the tree diameter increased to 19.25 inches, the tree would be in stage IV).

(1) Insurable trees that have been spaded and relocated will be considered pruned for purposes of determining tree stage and crop years remaining and used to establish the insured's insurance coverage.

(2) Are damaged to the extent they require rehabilitation will be staged based on the rehabilitation practice that is required regardless of whether the trees are rehabilitated.

B. Toppled and Leaning Trees

Stage I – III toppled and leaning trees (toppled or leaning to the extent reset is practical; See the LASH, paragraph 33 for guidance) are not insurable. Such trees become insurable once they are reset. Trees reset after the beginning of the insurance period for the crop year can be reported for insurance purposes for the next crop year. Resetting trees does not affect tree stage unless the trees are also dehorned or pruned. (Insurance coverage for trees requiring resetting is only applicable to stage I – III trees. See definition of reset. Resetting stage IV – V trees is not considered practical. Stage IV – V trees that are toppled or leaning prior to insurance attaching are not insurable.)

C. Staging Example

Tree stages will be based on the tree diameter or the stage determined for trees that are dehorned or pruned. Such trees remain in that stage for the number of crop years remaining since the trees were dehorned or pruned. Trees which are damaged to the extent rehabilitation is required are staged based on the level of rehabilitation required (dehorning or pruning) regardless of whether trees are actually rehabilitated.

Stage Example – For the 2018 Crop Year

Event Crop Year – 2017 (7/1/2016 – 6/30/2017)		Stage for Each Crop Year Following Event Crop Year					
		Crop Year 2018	Crop year 2019	Crop year 2020	Crop year 2021	Crop year 2022	Crop year 2023
Dehorned	Stage IV	Stage II	Stage II	Stage II	Stage II	Stage II	Stage IV or Stage Based on Actual Trunk Diameter
Pruned	Stage IV	Stage II	Stage II	Stage IV or Stage Based on Actual Trunk Diameter	Stage IV or Stage Based on Actual Trunk Diameter	Stage IV or Stage Based on Actual Trunk Diameter	Stage IV or Stage Based on Actual Trunk Diameter

D. 75/25 Rule for Determining Tree Stage Blocks

(1) Insureds must report trees by block on the PAW (PCT) (shown in Exhibit 3).

(a) For blocks in which 75% or more of the trees are the same stage, the insured may report the block as one stage-block.

Example 1: The insured has one unit with 375 stage IV trees, 100 stage III trees, and 25 stage I trees (same planting pattern - common boundary).

The block may be reported as follows:

Block No.	Stage-Block	Stage	No. of Trees
001	001-IV	IV	500

The insured elects a 75% coverage level. The stage IV tree reference price is $322 and the maximum CTV reference price is $352.

Amount of protection $_{Tree}$ = (500 x $322) × 75% = $120,750

Amount of protection $_{CTVE}$ = (500 x $352) × 75% = $132,000

Example 2: The 25 stage I trees in the preceding example would be reported as a separate block if there was a distinct change in planting pattern in one area of the orchard (e.g. end rows at the edge of an orchard).

The insured may report the blocks as follows:

Block No.	Stage-Block	Stage	No. of Trees
001	001-IV	IV	475
002	002-I	I	25

The stage I tree reference price is $95.

Amount of protection $_{Tree}$ = [(475 x $322) + (25 x $95)] × 75% = $116,494

Amount of protection $_{CTVE}$ = (475 x $352) × 75% = $125,400

The CTVE Amount of Protection includes only the stage-IV block. Stage-I blocks are not eligible for the CTVE.

(b) For blocks in which less than 75% of the trees are the same stage, the insured must separate the blocks into stage-blocks and report the number of trees in each stage-block.

Example 3: The insured has one unit with 300 stage IV trees, 100 stage III trees, and 100 stage II trees (same planting pattern).

The block must be reported as follows:

Block No.	Stage-Block	Stage	No. of Trees
1	001-IV	IV	300
1	001-III	III	100
1	001-II	II	100

The insured elects a 75% coverage level. The tree reference prices are $322 for stage IV, $290 for stage III, and $188 for stage II;

The maximum CTV reference prices are $352 for stage IV, $212 for stage III, and $111 for stage II.

Amount of protection $_{Tree}$ = (100 x $188) + (100 x $290) + (300 x $322) × 75% = $108,300

Amount of protection $_{CTVE}$ = (100 x $111) + (100 x $212) + (300 x $352) × 75% = $103,425

(c**)** If the trees described in (b) were inter-planted, the three stage-blocks would be shown in the same location on the Grove Identification Map.

25 PAW (PCT)/PAIR (PCT)

(1) The PAW (PCT) is completed annually (self-certification allowed following year of application) and submitted by the acreage reporting date (See Exhibit 3 for completion instructions and sample worksheet.).

(a) The applicant/insured certifies:

(i) By stage block and type for each unit, the numbers and diameters of trees to be insured and the applicable stage, by completing a PAW (PCT); and

(ii) Other information contained on the PAW (PCT);

(b) The applicant/insured also provides a Grove Identification Map (shown in Exhibit 5 with completion instructions) that shows locations of the stage-blocks identified in the PAW (PCT);

(c) An amended or revised PAW must be completed if any changes have occurred since the original certification that would alter the stage-block designations or the numbers of trees in affected stage-blocks (e.g., periodic change changes, tree damage resulting in buckhorning, resetting, etc., removal/thinning of trees, etc.; See Exhibit 3 instructions); and

(d) The PAW triggers the need for a PAIR when the applicant/insured answers:

(i) Yes to whether "… damage (e.g. wind (tornado/hurricane, freeze, drought, etc.) occurred to trees that will reduce the insured crop's coverage from previous crop years?"

(ii) Yes to whether "…practices or production methods (e.g. removal or thinning; resetting, dehorning, grafting; or hedging or pruning) have been performed that will reduce the insured coverage from previous crop years?"

Applicable changes must be reported on the acreage report.

(2) PAIR (PCT) (See Exhibit 4 for completion instructions and sample worksheet.)

(a) The PAIR (PCT) may be initiated at the AIP's discretion except that inspections and
*** PAIR (PCT)s are required and must be completed on or before June 30:

(i) For new applications;

(ii) For added insurable trees;

(iii) If related to insurability determinations;

(iv) For carryover policies when the insured transfers to a different AIP; or

(v) When triggered by the PAW (PCT). [See paragraph 25(1)(c) of this handbook.]

(b) Inspections and PAIR PCTs are required for carryover insureds:

(i) Prior to insurance attaching coverage against drought (see the SP and examples of drought damage in Exhibit 10, pictures 10-16);

(ii) If on the PAW (PCT), question 4 is answered "YES" or any of questions 5 – 9 on the PAW (PCT) are answered "NO". An inspection is required when KNOWN tree damage has occurred or cultural practices have been performed that will reduce the coverage of the insured crop and when the insured answers "YES" to related questions contained on the PAW (PCT); and

(iii) When spot checks are completed.

(c) An inspection and PAIR may be initiated at the discretion of the AIP or RO, when trees are removed.

(d) Key items the loss adjuster/inspector should consider in conducting the PAIR (PCT) are:

(i) Conditions identified in paragraph 21B and C of this handbook;

(ii) Tree count/type/stage by block;

(iii) Date of any removal or thinning; resetting, dehorning, grafting, hedging, pruning; or transitioning to organic; and

(iv) Whether the orchard is being maintained in a recommended manner with adequate tree spacing, no over-crowding or adjoining tree branches, good orchard floor management practice, etc.

***

26 Acceptable Records

A. Acceptable Records

Acceptable records may be requested at the time the PAIR (PCT) is completed or at loss adjustment to substantiate the tree counts, stages, and types reported by applicants/insureds.

Such records may be required to resolve any discrepancy between the stage-blocks and types that were reported for the unit and the actual numbers, stages, and types of trees in the unit.

B. Record Types

The following types of records are acceptable, if the records indicate the location, number of trees, and planting dates [and other information required to establish insurability and stage the trees, e.g. year of dehorning, pruning, resetting (if resetting was required)], and insured type as designated in the SP:

(1) Planting records (orchard management records); and

(2) AIP recorded evidence, which includes pre-acceptance inspection reports, acreage reports, claims, and any other documentation of tree ages and dates of dehorning, pruning, or resetting (if resetting was required) that were used to establish insurance coverage for the trees.

C. PAW PCT and Grove Identification Map

Insureds should be encouraged to obtain and use acceptable records to prepare the PAW (PCT) and Grove Identification Map. (See Exhibits 3 and 5.)

D. Tree Numbers and Stage Determinations

(1) A visual inspection is required to establish the insurable and uninsurable tree numbers, stages, and acres (while acreage of pecan trees is not used to establish insurance coverage, reported/determined acreage may be used to establish the number of trees in the unit; if used for this purpose, verification of the acreage is required). The inspection will be completed by a loss adjuster/inspector, who has been trained in procedures to determine the actual (determined) tree numbers, stages, and acres.

(a) If an inspection reveals no discrepancy between the unit arrangement and reported and actual number and stages of trees (and acres as applicable), the loss adjuster/inspector will check the "NO" box on the PAW (PCT) and sign and date the original worksheet submitted by the insured to verify that the information was found to be accurate. If previous crop year damage has occurred, verify that number of damaged or destroyed trees contained on any Appraisal and Production Worksheets for any previous crop year are reflected in the tree and stage numbers reported by the insured on the PAW PCT for the current crop year.

(b) If an inspection reveals a discrepancy in the unit arrangement or between the reported and actual number or stages of trees (and acres as applicable), AIPs will correct the PAW (PCT) (or complete a revised PAW) to establish the correct unit arrangement and the actual tree number or stages of trees in each unit. The loss adjuster/inspector will check the applicable box on the PAW to indicate the PAW was revised. Both the policyholder and the loss adjuster/inspector will

sign the corrected/revised PAW. Revision of the Grove Identification Map may also be required. (Indicate on the Grove Identification Map any applicable revisions.) The loss adjuster/inspector will determine any necessary corrections by:

(i) For planted stands:

(A) Examining the records used by the insured to complete the PAW (PCT) worksheet and Grove Identification Map;

(B) Establishing the numbers of trees and stages with each block using the setting distances shown in Exhibit 6, Table B; or

(C) Conducting a tree count for each stage within the block.

(ii) For native stands (acreage with no distinguishable planting pattern):

See Exhibit 7 for plot sampling, tree count, and stage determination instructions.

(A) Determine the number of acres in each block in the unit.

(B) Select the minimum number of sample plots for each block as specified in Exhibit 6, Table B.

1 Count and stage all insurable trees within each sample plot. Exclude any tree to which insurance did not attach.

2 Total the number trees, by stage, for all sample plots for the block and divide the result by the number of sample plots to determine the average number of trees per sample plot for each stage-block.

3 Multiply the result of (B)2) by the number of acres for the block to determine the number of trees for each stage-block. Enter the result for each separate stage-block on the PAW (PCT).

4 Record all calculations on a Sample Plot Worksheet (see Exhibit 8) and place in the insured's file.

27 Unit Division

A. Basic Unit

A basic unit will be as defined in the BP.

27 Unit Division (Continued)

B. Optional Units

Instead of establishing optional units by section, section equivalents, or FSA FN as specified in section 34 of the BP, units may be established if each optional unit is located on non-contiguous land.

C. Enterprise Units

In addition to enterprise units as allowed in section 34 of the BP, an enterprise unit may be elected if the insured crop is located on at least two parcels of non-contiguous land and at least two of the parcels must contain at least the lesser of 20 acres or 20 percent of the insured crop acreage in the enterprise unit.

28 Service Forms

The following forms are required for the PCT program:

A. Application

B. Policy Change

C. PAW (PCT)

D. PAIR (PCT)

E. Grove Identification Map

F. Acreage Report

29-30 (Reserved)

PART 4 ENDORSEMENTS AND OPTIONS

31 Endorsements and Options

The PCT program has an endorsement and options that add supplemental coverage, exclude coverage, or otherwise modify the coverage.

A. Occurrence Loss Option

An insured with a PCT policy in effect may elect to eliminate the deductible for determining indemnities for insured trees through the use of this option (where premium rates for the option are provided on the AD). The option applies to all insurable pecan trees in the county. The option is continuous and must be elected by the sales closing date for the crop year. The option may be cancelled in accordance with the cancellation provisions of the policy.

(1) The insured may elect the OLO if he/she has not elected coverage under CAT.

(2) An indemnity will be due under the OLO only if the amount of insured damage within all SDT identified as a result of the most recent cause of loss is at least two percent (2%) of the unit value (unless otherwise specified in the SP). The CP provides a five percent (5%) trigger when drought or failure or the irrigation water supply is a cause of loss.

(3) The amount of the indemnity will be determined by:

(a) Multiplying the unit value by the applicable OLO trigger percent;

(b) Calculating the damage value;

(c) Multiplying the damage value by the coverage level selected by the insured to determine the amount of insured damage. If the amount of insured damage is equal to or greater than (3)(a), then;

(d) Multiplying the amount of insured damage by the URF; and

(e) Multiplying the result of (3)(c) times the share.

(4) The total amount of indemnities payable on a unit during the crop year is limited to the lesser of the amount of protection for that unit or the unit value times the insured's share.

B. Comprehensive Tree Value Endorsement

The CTVE provides supplemental coverage for pecan trees in addition to the coverage provided by the CP.

(1) The insured may elect the CTVE for pecans if he/she has not elected coverage under CAT. The endorsement is continuous and must be elected by the SCD for the crop year. The endorsement may be cancelled in accordance with the cancellation provisions of the policy.

(2) A CTVE indemnity will not be paid unless an indemnity is paid on the unit under the CP. All trees in all stage-blocks (except stage I) considered fully damaged or destroyed are eligible for an indemnity under this endorsement.

(3) The CTV Amount of Protection (unit) will be determined by multiplying the number of insurable trees of each type reported by the insured in each insurable stage-block times the applicable maximum CTV reference price, by stage and type, adding these values, and then multiplying by the coverage level.

(4) The CTV Unit Value will be determined by multiplying the number of insurable trees of each type in each insurable stage-block in the unit, as determined by the AIP, on the day before the loss (but not reduced for any insured damage that occurred during the crop year) by the applicable maximum CTV reference price for the stage and type, adding these values, and then multiplying by the coverage level.

(5) The reference price offered under this endorsement is in addition to the tree reference price offered under the CP.

The CTV references prices may be based on actual records of sales of pecans (converted to a tree basis), provided:

(a) Such records must:

(i) Be verifiable;

(ii) Be provided for all trees insured under the policy for the most recent four crop years (commingled records for insured and uninsured trees will be used if such records cannot be separated);

(iii) Be submitted by the applicable sales closing date contained in the actuarial documents; and

(iv) Show the dates of sale, the buyers' name and address, and the pounds and dollar amount sold.

(b) All references in 5(c)(i) and (ii) to maximum and minimum CTV reference prices, average revenue value, and calculated results apply on a stage and type basis except as otherwise specified.

(c) The maximum and minimum actual CTV reference prices will be determined as follows:

(i) For insurable acreage containing one stage of trees, the insured's maximum and minimum actual CTV reference prices will be the lesser of:

(A) The prices determined by:

1 Dividing the dollar amount of sales reported by the insured by the number insurable trees under the insured's policy (see section 7(a)(2) for commingled records) for each crop year and rounding the result to two decimal places;

2 Adding the results of (c)(i)(A)1 and dividing by four (4);

3 Rounding the result of (c)(i)(A)2 to two decimal places to determine the average revenue value;

4 Dividing the result of (c)(i)(A)3 by the reference revenue value for the stage;

5 Dividing the applicable maximum and minimum CTV reference prices contained in the actuarial documents by 0.60 and rounding the results to two decimal places;

6 Multiplying the unrounded results of (c)(i)(A)4 by the results of (c)(i)(A)5; and

7 Rounding the results of (c)(i)(A)6 to nearest whole dollar; or

(B) The prices determined by multiplying the applicable maximum and minimum CTV reference prices contained in the actuarial documents by 1.833 rounded to the nearest dollar.

(ii) For insurable acreage containing two or more stages of trees, the insured's maximum and minimum actual CTV reference prices for each stage will be the lesser of:

(A) The prices determined by:

1 Dividing the gross sales reported by the insured by the number insurable trees under the insured's policy (see section 7(a)(2) for commingled records) for each crop year and rounding the result to two decimal places;

2 Adding the results of (b)(ii)(A)1 and dividing by four (4) and rounding the result to two decimal places;

3 Multiplying the result of (c)(ii)(A)2 times the applicable factor for each stage shown in the table below;

Stage:	II	III	IV	V
Stage Factor:	.433	.888	1.039	1.689

4 Rounding the result of (c)(ii)(A)3 to two decimal places to determine the average revenue values;

5 Dividing the results of (c)(ii)(A)4 by the reference revenue value for the stage;

6 Dividing the applicable maximum and minimum CTV reference prices contained in the actuarial documents by 0.60 and rounding the results to two decimal places;

7 Multiplying the unrounded results of (c)(ii)(A)5 by the applicable results of (c)(ii)(A)6; and

8 Rounding the results of (c)(ii)(A)7 to nearest whole dollar for each stage; or

(B) The prices determined by multiplying the applicable maximum and minimum CTV reference prices contained in the actuarial documents by 1.833 rounded to the nearest dollar.

Example:

The pecan orchard contains 1000 insurable improved variety trees consisting of stage II, III, and V trees. The insured provides the most recent four years of acceptable sales records.

The average gross sales per tree are:

Crop Year	
2017	$95.25
2016	$142.85
2015	$130.95
2014	$110.95
Avg. Gross Sales	$120.00

The average revenue value for each stage is:

Stage II: $120.00 × .433 (stage factor) = $51.96

Stage III: $120.00 × .888 (stage factor) = $106.56

Stage V: $120.00 × 1.689 (stage factor) = $202.68

The reference revenue value for each stage is:		CTV reference prices Minimum	Maximum
Stage II:	$34.10	$78	$102
Stage III:	$79.43	$177	$212
Stage V:	$232.46	$455	$471

The maximum and minimum actual CTV reference prices for each stage are:

Preliminary maximum actual CTV reference price =
Stage II = $259 = {($51.96 ÷ $34.10) × ($102 ÷ 0.60)}
Stage III = $474 = {($106.56 ÷ $79.43) × ($212 ÷ 0.60)}
Stage V = $684 = {(202.68 ÷ $232.46) × ($471 ÷ 0.60)}

Final maximum actual CTV reference price =
Stage II = $187 {the lesser of the preliminary price $259 or $187 ($102 × 1.833)}
Stage III = $389 {the lesser of the preliminary price $474 or $389 ($212 × 1.833)}
Stage V = $684 {the lesser of the preliminary price $684 or $863 ($471 × 1.833)}

Preliminary minimum actual CTV reference price	=	Stage II = $198 ($51.96 ÷ $34.10) × ($78 ÷ 0.60)} Stage III = $396 ($106.56 ÷ $79.43) × ($177 ÷ 0.60)} Stage V = $661 ($202.68 ÷ $232.46) × ($455 ÷ 0.60)}
Final minimum actual CTV reference price	=	Stage II = $143 {the lesser of the preliminary price $198 or $143 ($78 × 1.833)} Stage III = $324 {the lesser of the preliminary price $396 or $324 ($177 × 1.833)} Stage V = $661 {the lesser of the preliminary price $661 or $834 ($455 × 1.833)}

(d) In addition to requirements of section 6 of the CP, the insured must report the insured's maximum and minimum actual CTV reference prices by stage-block for each unit.

(e) The Summary of Revenue History form contained in the CIH, Exhibit 20E will be used to record the actual sales records reported by the insured. See examples in Exhibit 9 of this handbook for reporting actual records of sales and calculation of the Average Revenue Value. The following instructions replace the applicable instructions contained in the Exhibit 20E.

(i) Only four years of records will be reported on the Summary of Revenue History form.

(ii) Complete all heading entries for the insured's policy for the insured county; except MAKE NO ENTRY for FSA FN, legal description, and practice, insurable or uninsurable, and number of trees. Strike out UNIT NUMBER and replace with STAGE(S) AND TYPE OF TREES.

(iii) Complete entries for columns 1, 2, 3, 4, and 5.

(iv) Strike out "NET ACRES" in column 2 and replace with NO. OF TREES. Separate records for insurable and uninsurable trees may be provided but are not required. If applicable, make two line entries for each crop year on the form. Only the production and sales from the insurable trees will be used to calculate the AVERAGE GROSS SALES PER TREE. If separate records are not provided, the AVERAGE GROSS SALES PER TREE will be based on the commingled production and sales from all trees in the insured county for the policy.

(v) Revise the heading in column 5 to AVERAGE GROSS SALES PER TREE. The entry in column 5 will be the result of dividing column 4 by the number of insured trees (including uninsured trees if production and sales are commingled) rounded to two decimal places.

(vi) MAKE NO ENTRY in column 6.

(vii) Strike out "ACRE" in item 8 and replace with "TREE".

(viii) Strike out "APPROVED and PER ACRE and replace with AVERAGE REVENUE VALUE. The entry in item 9 will be the result of dividing item 8 by item 7, rounded to two decimal places.

(f) The CTV (actual) reference prices based on actual sales records will be updated on a two-year basis to reflect the most recent two years of sales records. The earliest two years of the four-year period will be removed and the most recent two years will be added to compute the four-year average actual sales value per tree.

***

(6) If the insured elects both the OLO and the CTVE, the OLO will apply to the CTVE.

(7) The coverage level elected by the insured for the PCT policy will apply to the endorsement.

(8) An insured tenant or operator must have a lease with the owner of the pecan orchard that requires him or her to maintain the pecan orchard using accepted tree management practices. The lease agreement must clearly state the tenant or operator is entitled to his or her insured share of any indemnities under the CP. A copy of the lease must be on file with the AIP at the time insurance attaches.

C. High Risk Land Exclusion Option

This option is available for pecan trees on any land identified in the AD as high risk and allows the insured to exclude land identified as high risk in accordance with section 3(b)2 of the BP.

32-40 (Reserved)

PART 5 MULTIPLE PROGRAM BENEFITS

41 Tree Assistance Program (TAP)

TAP is not subject to multiple benefit rules. A person may purchase a Pecan Tree crop insurance policy and apply for TAP. A producer may receive and retain benefits from both. TAP is a disaster program and is exempt from other multiple benefit or duplication of benefits standards as per H.R. 83 – Sec. 733. For the 2014 fiscal year and each fiscal year thereafter, losses under section 1501 of Public Law 113–79 shall not be considered the same loss for the purposes of 7 U.S.C. 7333(i)(3) and 7 U.S.C. 1508(n).

42 Non-insured Assistance Program (NAP)

Multiple benefits are not allowed between crop insurance and NAP. This means that if an insured is eligible to receive a crop insurance indemnity and benefits under some programs administered by the USDA for the same crop loss, the insured may participate in both programs, but must choose whether to receive the crop insurance indemnity or the other program benefit (payment). However, a NAP program is not available that covers the same losses as the FCIC Pecan Tree program.

43-50 (Reserved)

EXHIBITS

Exhibit 1

Acronyms

The following table contains RMA-approved acronyms used in this handbook.

Approved Acronyms	Term
AD	Actuarial Documents
AIP	Approved Insurance Provider
ARD	Acreage Reporting Date
BP	Common Crop Insurance Policy Basic Provisions
CAT	Catastrophic Risk Protection Endorsement
CD	Cancellation Date
CIH	FCIC-18018 Crop Insurance Handbook
CISH	Crop Insurance Standards Handbook
CP	Crop Provisions
CTV	Comprehensive Tree Value
CTVE	Comprehensive Tree Value Endorsement
DSSH	FCIC-24040 Document and Supplemental Standards Handbook
FCIC	USDA Federal Crop Insurance Corporation
FN	Farm Number
FSA	Farm Service Agency
LAM	Loss Adjustment Manual
LASH	Loss Adjustment Standards Handbook
OLO	Occurrence Loss Option
PAIR	Pre-Acceptance Inspection Report
PAW	Producer’s Pre-Acceptance Worksheet
PCT	Pecan Tree
RMA	USDA Risk Management Agency
SBI	Substantial Beneficial Interest
SCD	Sales Closing Date
SDT	Stand(s) of Damaged Trees
SP	Special Provisions of Insurance
UG	Underwriting Guide
URF	Underreport Factor

Definitions

Adjustment factor means a factor contained in the Special Provisions for the applicable stage and restoration method (RM3 and RM4) used to determine the percent of damage and damage value of fully and partially damaged trees for purposes of determining an indemnity.

Amount of insured damage means the dollar amount determined by multiplying the damage value times the coverage level.

Amount of protection means the dollar amount for the unit calculated by multiplying the number of insurable trees reported by the insured in each stage-block in the unit times the applicable tree reference price for the stage and restoration method (RM1 or RM2), totaling these values, and then multiplying this result times the coverage level selected by the insured.

Average revenue value means the value per tree for each applicable stage as determined in section 7(b) and (c) of the CTV endorsement.

Block means a stand of trees of:
(a) A pecan variety or varieties or seedling pecans on acreage sharing a common boundary with no discernible change in the planting pattern; or
(b) Native pecans sharing a common boundary without regard to any planting pattern.

Budding means grafting a single scion bud onto the rootstock (trunk or limb) to form a bud union.

Bud union means the location where a scion bud is grafted onto the rootstock of another tree.

Commercial orchard means an orchard which is managed in accordance with good farming practices performed on an annual basis such as fertilization, disease, insect, and weed control for the purposes of selling the pecan production to a wholesale or retail market.

CTV amount of insured damage – means the dollar amount determined by multiplying the CTV damage value times the coverage level.

CTV amount of protection means the dollar amount (by unit) calculated by multiplying the number of insurable trees reported by the insured in each stage II-V block times the applicable maximum CTV reference price for the stage, adding these values, and then multiplying the result times the coverage level selected by the insured.

*** CTV damage value means the dollar amount determined by multiplying the number of destroyed trees and the actual number of fully damaged trees determined by the AIP in each stage II through stage V-block in all the stands of damaged trees (SDT) identified as a result of the most recent cause of loss times the applicable CTV reference price, and then adding these values. The applicable CTV reference price will be the maximum CTV reference price for trees destroyed and the minimum CTV reference price for trees fully (100-percent) damaged.

Definitions (Continued)

CTV underreport factor (URF) means a factor determined by the AIP (by unit) and used to adjust the CTV indemnity in Section 11(b)(2) when the insured has underreported the number of insurable trees. The factor is the result of dividing the CTV amount of protection by the CTV unit value, rounded to three decimal places, not to exceed 1.000.

CTV unit deductible means the dollar amount determined by multiplying the actual number of insurable trees in each stage II- through stage V-block in the unit on the day before the loss (but not reduced for any insured damage that occurred during the crop year) times the maximum CTV reference price, adding these values, and then multiplying the result times the deductible.

CTV unit value means the amount determined by multiplying the number of actual insurable trees in each stage II- through stage V-block in the unit, as determined by the AIP, on the day before the loss (but not reduced for any insured damage that occurred during the crop year) times the maximum CTV reference price for the stage, adding these values, and then multiplying the result times the coverage level selected by the insured.

Damage value means the dollar amount determined:

(a) For destroyed trees by multiplying the actual number of insurable trees in each stage-block within the stand of damaged trees damaged due to the most recent cause of loss times the applicable tree reference price for the stage and restoration method (RM1 or RM2) and multiplying each result times the percent of damage determined in accordance with section 13(d) for each stage-block and totaling these values for all the stage blocks within the unit; and

(b) For fully and partially damaged trees by multiplying the actual number of insurable trees in each stage-block within the stand of damaged trees damaged due to the most recent cause of loss times the RM1 tree reference price for the stage and multiplying each result times the percent of damage determined in accordance with section 13(d) for each stage block and totaling these values for all stage blocks within the unit.

Dead means a tree with no live limbs (includes all scaffold limbs and attached limbs).

*** Dehorn (dehorning) means to cut back scaffold limbs to within four feet of the trunk (or trunks if the tree has multiple trunks) in an attempt to rehabilitate the tree.

Destroyed tree means:

(a) For damage due to insured causes of loss, any insurable tree that:
    (1) Is dead or dying;
    (2) For stage I – III, is a tree that is toppled or leaning and the insured and AIP agree that reset is not practical;
    (3) For stage IV – V, a tree that is toppled or leaning;
    (4) Is missing; or
    (5) Is damaged to the extent that insured and AIP agree that rehabilitation is not practical.

(b) Destroyed trees are considered 100 percent damaged.

(c) See section 13(d) and (h) for determining the percent of damage for destroyed trees.

Die-back means a condition where the limbs in the upper portion of the tree (terminals) are dead (no new growth occurring along these limbs).

Definitions (Continued)

Dying means for purposes of determining insurable damage due to drought or the failure of the irrigation water supply due to an insurable cause, a tree in which:
(a) At least one-third (⅓) of the upper tree canopy is dead as evidenced by die-back;
(b) There are dead scaffold limbs with the majority of any new growth, if any, located along the trunk or scaffold limbs; or
(c) A combination of (a) and (b).

Fully damaged tree means an insurable tree that is damaged and requires rehabilitation (dehorning) or reset but is not destroyed. Such tree will be considered 100 percent damaged. See section 13(d) and (h) for determining the percent of damage for fully damaged trees.

Grafting means creating a permanent union between two trees by inserting a scion into the rootstock (root, trunk, or limb) of another tree.

Graft union means the location where the scion is joined to the rootstock of another tree.

Hedging means a standard pruning practice conducted on an annual or periodic basis to remove vegetative growth from the tree canopy to improve production and prevent overcrowding of pecan trees.

Leaning means a tree that is leaning more than 10 degrees from the upright position.

Limb adjustment percentage means the percentage of normal limb breakage contained in the Special Provisions and used to determine the percent of damage for partially damaged trees.

Maximum actual CTV reference price means the price per tree, by stage, determined in accordance with section 7 of this endorsement that is used in calculating the CTV unit value, the CTV amount of protection, and the portion of the CTV damage value for destroyed trees for the CTV endorsement.

Maximum CTV reference price means the price per tree, by stage, contained in the actuarial documents for CTV that is used in calculating the CTV unit value, the CTV amount of protection, and the portion of the CTV damage value for destroyed trees for the CTV endorsement.

Minimum actual CTV reference price means the price per tree, by stage, determined in accordance with section 7 of this endorsement that is used in calculating the portion of the CTV damage value for fully (100-percent) damaged trees for the CTV endorsement.

Minimum CTV reference price means the price per tree, by stage, contained in the actuarial documents for CTV that is used in calculating the portion of the CTV damage value for fully (100-percent) damaged trees for the CTV endorsement.

Native tree means a pecan tree contained in a commercial orchard that has generally grown from a seed that fell from a tree in a naturally occurring pecan orchard (grove), without being planted or set out.

Occurrence loss option means an option that may be elected by the insured that eliminates the unit deductible in accordance with section 15 of the Crop Provisions.

Definitions (Continued)

Orchard means contiguous acreage of pecan trees within a common boundary containing one or more blocks. Acreage separated by only a public or private right-of-way, waterway, or an irrigation canal will be considered as contiguous.

Partially damaged tree means an insurable tree that requires rehabilitation (pruning but not dehorning) for which the percent of tree canopy damage is greater than 10 percent. See section 13(d) and (h) for determining the percent of damage for partially damaged trees.

Percent of damage means a percentage expressed as a decimal rounded to two decimal places and determined in accordance with section 13(d) and (h).

Prune (pruning) means the removal of limbs damaged by insured causes of loss from the tree canopy (excludes dehorning and hedging) resulting in a reduced canopy size.

Reference revenue value means the value per tree, by stage, listed on the prices tab contained in the actuarial documents for CTV that is used in calculating the actual CTV (minimum/maximum) reference prices for producers using their actual records of production and sales.

Rehabilitation (rehabilitate) means the pruning of limbs or dehorning trees damaged by insured causes of loss in an attempt to remove the damaged areas and allow the tree to recover. Excludes hedging and annual pruning conducted as part of a standard tree management practice.

Removal/replacement cost factor means a factor contained in the Special Provisions used to calculate the portion of indemnity for native trees that is due upon the initial completion of the claim and the remaining portion of the indemnity that is due upon set out of replacement trees in accordance with section 13(i) of these Crop Provisions.

Remove (removing, removal) means the taking the entire tree including the roots out of the orchard.

Replace (replaced, replacing, replacement) means to cut the tree down leaving the stump and taking the remaining portion of the tree out of the orchard.

Replacement (transplant) tree means a tree set out in an existing orchard in the same location of a damaged tree that cannot be rehabilitated, reset, or is otherwise destroyed and that has been removed or replaced.

Reset means restoring a toppled or leaning tree to approximately the same position the tree occupied before it was caused to topple or lean, and carrying out the cultural practices necessary to restore the tree. Reset is applicable only for stage I – III trees.

Restoration method means one of the methods listed below used by the insured to rehabilitate or reset damaged trees or remove/replace destroyed trees:

(a) Restoration Method 1 (RM1) – Removing the tree and setting out a replacement tree in its place;
(b) Restoration Method 2 (RM2) – Replacing the tree by cutting it down and leaving the stump, then setting out a replacement tree beside the stump;
(c) Restoration Method 3 (RM3) – Rehabilitation; or
(d) Restoration Method 4 (RM4) – Reset (stages I – III only).

Definitions (Continued)

Sales closing date means in lieu of the definition in section 1 of the Basic Provisions, the sales closing date for the crop year and subsequent crop years will be May 15 unless another date is provided in the Special Provisions.

Seedling tree means a pecan tree that develops from a planted pecan seed (nut).

Sequentially thinning (thin) means a method of systematically removing or replacing pecan trees for the purpose of improving sunlight penetration and maintaining the proper spacing necessary for continuous production.

Set out (setting out) means transplanting a tree into the orchard.

Share (contained in the CP) means in addition to the definition in section 1 of the Basic Provisions, an insured tenant or operator must have a lease with the owner of the pecan orchard that requires him or her to maintain the pecan orchard using accepted tree management practices. The lease agreement must clearly state the tenant or operator is entitled to his or her insured share of any indemnities under these Crop Provisions. A copy of the lease must be on file with the AIP at the time insurance attaches. However, only for the purpose of determining the amount of indemnity, the insured's share will not exceed the insured's share at the time of loss.

Share (contained in the CTVE) means in addition to the definition in section 1 of the Crop Provisions, an insured tenant or operator for purposes of this endorsement, must have a long-term lease of not less than 5 years beyond the current crop year that requires him or her to maintain the pecan orchard using accepted tree management practices including complying with the requirements of this endorsement. The lease agreement must clearly state the tenant or operator is entitled to his or her insured share of any indemnities under this endorsement. A copy of the lease must be on file with the AIP at the time insurance attaches. However, only for the purpose of determining the amount of indemnity, the insured's share will not exceed the insured's share at the time of loss.

Stage means a tree-classification system based on tree diameter or the number of crop years remaining after pruning or dehorning.

(a) The stage at the beginning of the crop year for each insurable tree in the unit is:

Trunk Diameter and Stage at the Beginning of the Crop Year		Number of Crop Years Remaining at the Reduced Stage After the Crop Year of Pruning[1] or Dehorning			
		Pruning		Dehorning	
		Reduced Stage	Years[2]	Reduced Stage	Years[2]
Inches	Original Stage				
≤ 6	I	I	1	I	3
6.01-10.0	II	I	1	I	4
10.01-15.0	III	II	2	I	5
15.01-20.0	IV	II	2	II	5
>20.0	V	III	3	III	5

[1]See (b) of this definition [2]Crop Years Remaining

Example: A tree that is 14 inches in diameter is in stage III.

If the tree is dehorned in the 2018 crop year, the tree will be reduced to a stage I tree for the 2019 – 2023 crop years (5 crop years remaining after the crop year of dehorning.). For the 2024 crop year, the stage will be determined based on the tree diameter applicable for the crop year (i.e. if the tree diameter increased to 19.25 inches, the tree would be in stage IV).

(b) Insurable trees that have been spaded and relocated will be considered pruned for purposes of determining the reduced tree stage and crop years remaining when establishing the insured's insurance coverage.

(c) Insurable trees that are damaged to the extent they require rehabilitation will be staged based on the rehabilitation practice that is required regardless of whether the trees are rehabilitated.

Stage-block means a block in which at least 75 percent of the trees are the same stage at the time insurance attaches.

Stand of damaged trees means the area or areas within a unit where damage due to the same insurable cause of loss occurs, as established by the AIP for the crop year, and is used to determine the damage value for the unit. If distinct areas of damaged trees within the unit cannot be established, the stand of damaged trees will be the entire unit.

Toppled (topple) means a tree that is no longer upright with an exposed root system.

Tree reference price means the price per tree, by stage and restoration method listed on the actuarial documents for removing or replacing a tree (RM1 and RM2).

Trunk diameter means the diameter of the trunk based on standard measurement practices applicable for pecan trees and contained in our approved procedures.

Type means a grouping of similar pecan varieties or native and seedling pecan trees contained in the Special Provisions established to recognize differences in insurance risk or different tree reference prices under the Comprehensive Tree Value Endorsement.

Undamaged tree means a tree that does not require rehabilitation, reset, or have to be removed or replaced.

Underreport factor (unit) means a factor determined by the AIP and used to adjust the insured's indemnity in section 13(a) of these Crop Provisions when the insured has underreported the number of insurable trees. The factor is the result of dividing the amount of protection by the unit value, rounded to three decimal places, not to exceed 1.000.

Unit deductible means the dollar amount determined by multiplying the actual number of insurable trees in each stage-block in the unit on the day before the loss (but not reduced for any insured damage that occurred during the crop year) times the applicable tree reference price for the stage and restoration method RM1 or RM2, as applicable, totaling these values, and multiplying this result times one (1) minus the coverage level..

Definitions (Continued)

Unit value means unless otherwise specified on the actuarial documents, the amount determined by multiplying the actual number of insurable trees in each stage-block in the unit, as determined by the AIP, on the day before the loss (but not reduced for any insured damage that occurred during the crop year) times the applicable tree reference price for the stage and restoration method, RM1 or RM2, as applicable, totaling these values, and then multiplying this result times the coverage level selected by the insured.

Variety (improved) means a variety/cultivar of pecan trees that is developed as a controlled cross or by grafting or budding.

Producer Pre-Acceptance Worksheet – (Pecan Trees)

Once the initial certification (worksheet and Grove Identification Map) has been provided, insureds who continue insurance coverage in subsequent crop years will be allowed to self-certify in the remarks section of the original pre-acceptance worksheet that no change has occurred. The insured will write "No change for XXXX Crop Year," initial, and date.

If any changes have occurred since the original certification that would alter the stage-block designations or the numbers of trees in each stage-block (e.g., periodic stage changes, tree damage resulting in buckhorning, resetting, removal/thinning of trees, etc.), an amended or revised worksheet and aerial photo(s), maps (e.g. GPS), or Grove Identification Map must be completed for any blocks of trees affected by the change. The nature and date of the revisions or amendments should be noted in the remarks section. Applicable changes must be reported on the acreage report and a new PAIR (PCT) may be required.

ELEMENT	REQUIRED INFORMATION
Applicant/Insured's Name	Enter the name of the applicant or insured as it appears on the application for insurance.
Policy No.	Enter the policy number from the most recent Policy Confirmation. In the case of a new applicant, enter only the 2-digit state and 3-digit county code, e.g. XX-XXX.
County	Enter the name of the county in which the trees are located.
State	Enter the name of the state in which the trees are located.
Crop	Enter the applicable crop name.
Crop Year	Enter the crop year for which the worksheet is being completed.
Unit Number	Enter the unit number as 00010000BU, 00010000EU, or 00010001OU from the Grove Identification Map. Basic, optional, and enterprise units are allowed as defined in the CP.
Block Number	By line, enter the block number for each separate block as identified on a Grove Identification Map and an aerial photo(s) (e.g. FSA) or satellite imagery (e.g. GPS, Google). Separate line entries within a block are required if different types, practices, stages, etc. apply. Enter the block number to the third decimal place (e.g. 001). A block is a stand of trees of a variety or varieties, native trees or seedling trees on acreage sharing a common boundary with no discernible change in planting pattern (a homogenous planting pattern) except that a block of native pecan trees will be that acreage sharing a common boundary without regard to any planting pattern. If there is a change in planting pattern that distinguishes areas within the block (e.g. a planted stand and a native stand), the insured can list these areas as separate blocks on the PAW (PCT). A block may contain different stages (based on tree diameter, e.g. stage I - ≤ 6.0 in.; stage V - > 20.0 in.), types, practices, and other PAW (PCT) elements. In these instances, separate line entries within the block will apply and will be numbered the same on each line, e.g. the block contains three

ELEMENT	REQUIRED INFORMATION
Block Number (Continued)	different stages; each separate stage line would be assigned the same block number. If acreage of trees of different varieties, native trees, seedling trees, or stages within the block can be separately plotted, the acreage within the block should be drawn out within the block on the Grove Identification Map and an aerial photo(s) (e.g. FSA) or satellite imagery (e.g. GPS, Google).
Legal Description Section-Township-Range- Other Land Identifier (e.g. Spanish land grants, metes and bounds, etc.)	Enter the section, township and range for each block location, or other descriptions if rectangular survey is not applicable. This may include GPS coordinates or other land identification. If additional space is needed, attach a supplemental sheet.
FSA Farm/Tract/ Field Number	FSA Farm/Tract/Field number is optional unless units are based on FSA FN, then the FSA FN is required.
Acres	Enter the acres occupied by the block, rounded to the nearest tenth (acres may be established using the total trees (by line) and Exhibit 6, Table A).
Insurable or Uninsurable Block (Orchard)	Designate whether the block (orchard containing more than one block) has met insurability requirements. Enter I for insurable and UI for uninsurable (enter on the first line only if the entire block is uninsurable. Explain any UI entry in the Remarks section and identify on a Grove Identification Map and an aerial photo(s) (e.g. FSA) or satellite imagery (e.g. GPS, Google). If multiline entries apply for the block, enter I or UI on a line basis. If the block or any individual line entry is uninsurable, do not complete the remaining column entries on the worksheet for the block or the line entry. Blocks (orchard) must be reported as uninsurable when: (a) The orchard (see definition) does not contain the minimum number of acres or the block does not contain the minimum number of trees per acre specified in the SP (the acre determination is made on an orchard basis, not a block basis); (b) At least 25% of the trees in the block have been planted at a depth below the depth grown in the nursery or where the graft union is below the soil surface; (c) At least 25% of the acreage is subject to poor drainage/ponding of water; (d) The commercial orchard (or block) is not managed for the production of pecan production to be sold for human consumption. Refer to the policy provisions, the actuarial document(s), and paragraph 21B and C of this handbook for complete information for the conditions for determining insurable and uninsurable blocks (orchards).
Total Acres Measured by AIP	If the AIP measures the acreage in the block, enter the measured acres. Enter N/A if not applicable.

Producer Pre-Acceptance Worksheet – (Pecan Trees) (Continued)

ELEMENT	REQUIRED INFORMATION
Variety – Improved, Native, Seedling, or Mixed	Enter the variety name, native, seedling, or mixed, as applicable.
Type (Group)	Enter the insured type as specified in the SP. Insurable improved varieties are listed in 3 groups for each insurance county – Groups I, II, and III. Native and seedling pecan trees are contained in Group IV and V, respectively. See the SP.
Practice	Designate if the block is irrigated or non-irrigated, certified organic (Irr. or NIrr.) or acreage transitioning to organic (Irr. or NIrr.).
Crop Year of Set Out (Improved or Seedling– Stage I only)	Required for improved variety/seedling stage I trees only - enter the crop year of set out based on the month and year of set out. If the trees were set out in different crop years, enter each set out year on a separate line for the block. If at least 75 percent of the trees were set out in the same crop year, make a one-line entry (note in the Remarks section). Enter N/A if not applicable. (Crop year of set out is required to determine insurability of stage 1 trees and the initial and ending crop year freeze damage is considered an insured cause of loss.) Enter set out information for other stages in the Remarks section, if known.
Crop Year of Reset (Stage I – III only)	Enter the crop year of reset based on the month and year of reset. If different crop years apply for the block, enter on separate lines. If at least 75 percent of the trees were set out in the same crop year, make a one-line entry (note in the Remarks section). Enter N/A if not applicable. (Reset for loss adjustment purposes only applies to stage I – III trees)
Crop Year of Dehorning, Pruning, or Hedging	Enter the crop year of dehorning, pruning, or hedging in which the practice was applied. If different crop years apply for the block, enter on separate lines. Enter N/A if not applicable.
Tree Spacing	Enter if available for native pecan acreage, otherwise, enter "varying". Required for improved varieties and seedling trees. Enter the average tree spacing (in feet) or pattern within the block (e.g. 20 X 30). Example: If trees are being interplanted as a part of a tree replacement program and the in-row spacing changes to 12.5 ft., update the tree spacing to 12.5 ft. X 20 ft.
Planting Pattern[2] S, B, Q, H, D, O	Enter: "S" for Square Planting Pattern "B" for Hedgerow or Border Planting Pattern "Q" for Quincunx Planting Pattern "H" for Hexagonal Planting Pattern "D" for Double Row Planting Pattern "O" for Other Planting Pattern

Producer Pre-Acceptance Worksheet – (Pecan Trees) (Continued)

ELEMENT	REQUIRED INFORMATION
Number of Trees	Enter the total number of insurable trees in the block. If multiline entries have been made for the block, enter total number of trees on the first line only. Enter an estimate (identify as "Est") if accurate determination is impractical. If the producer estimates the tree number, the loss adjuster/inspector must verify the accuracy of the estimate (see paragraph 26D for additional instructions). Refer to the policy provisions, the actuarial document(s), and paragraph 21 of this handbook for determining insurable and uninsurable trees.
Uninsurable Trees	Designate the number of uninsurable trees within the block. Trees must be reported as uninsurable (for example) when: (a) Stage I variety and seedling trees have not reached the second crop after set out (native trees with a minimum 3 inch diameter) unless at least 75 percent of the trees in the block have reached the second crop year after set out (if so, all stage I trees in the block would be insurable); or (b) Trees are intended to be sequentially thinned during the current crop year; Refer to the paragraph 21B and C of this handbook, the CP, SP, or the actuarial document(s) for complete information for determining insurable and uninsurable trees. Explain any uninsurable tree entry for a block in the Remarks section. Identify on a Grove Identification Map and an aerial photo(s) (e.g. FSA) or satellite imagery (e.g. GPS, Google).
Stage and Number of Trees	Enter each stage (I through V, based on the tree diameter or reduced stage if the trees have been dehorned or pruned – see stage definition in the CP and Exhibit 2 of this handbook) and number of trees in the stage on separate lines of the worksheet. If multiple line entries apply, enter the stage and number of trees for each line. If the trees have been dehorned or pruned, the stage will be based on the number of crop years remaining following the practice (see the stage definition). If at least 75 percent of the block has been dehorned or pruned, the entire block would be listed in the applicable stage with the number of trees in the block. (See Stage-Block Number instructions below.) Separate line entries for trees that have been reduced in stage due to dehorning or pruning for a block are identified in the Remarks section. If such trees are primarily located in an area of the block, identify the area, number of trees, and stage on a Grove Identification Map and an aerial photo(s) (e.g. FSA) or satellite imagery (e.g. GPS, Google). If such trees are randomly located in the block, explain in the Remarks section and list the row number on the aerial photo or satellite image and the number of trees and stage(s) in each row.

Producer Pre-Acceptance Worksheet – (Pecan Trees) (Continued)

ELEMENT	REQUIRED INFORMATION
Percent of Trees	For each line, enter the result of dividing the number of trees for the Stage column by the Number of Trees column for the block, and multiplying by 100. Round the result to whole numbers; for example, report 65.48% as 65% and 65.84% as 66%.
Stage-Block Number	Determine if the block containing two or more stages should be reported as a single stage-block or multiple lines for the block based on the different stages. If the Percent of Trees column for the block contains one of the separate stages in the block that is at least 75% of the trees in the block, enter the block as one stage-block on the PAW (PCT) and acreage report. If none of the percentages reported in Percent of Trees column for the block is at least 75%, enter the stage from the Stage and Number of Trees column for the applicable line entry. Denote the stage-block on each line, by the block number and the tree stage.
Stage-Block Number (Continued)	For example, if the block number is 001 and 87% of the trees in the block are stage III (more than 75 percent), enter the stage-block number as 001-III on the first line for the block; if the block number is 001 and 50% of the trees in the block are stage I and 50% are stage III, enter on separate lines the stage-block numbers as 001-I and 001-III, respectively. Blocks are reported in the same manner on the acreage report.
Date of Last Inspection	Provide the date when the last inspection of the unit was performed, if applicable.
1. Has damage occurred to trees from wind (tornado or hurricane), freeze, ice storm, drought, flood, fire, disease, hail, and/or failure of the irrigation water supply?	If damage has occurred in the crop year prior to the current crop year, the insured must answer "Yes". Enter the block number, type and date of damage for the applicable block(s) in the Remarks section.
2. Have practices or production methods (e.g. removal [ ], transplanting [ ], resetting [ ], dehorning [ ], grafting [ ], pruning [ ], hedging [ ], transitioning to organic [ ]) been performed?	If trees are transplanted within the most recent two crop years prior to the current crop year, grafted within 12-month period preceding the current crop year, or reset, pruned, dehorned, or hedged, the insured must answer "Yes". Check the applicable practice or method that has been performed. Enter the block number and date the applicable practice(s) or method(s) that has been performed for the applicable block(s) in the Remarks section).

Producer Pre-Acceptance Worksheet – (Pecan Trees) (Continued)

ELEMENT	REQUIRED INFORMATION
3. Will the insurable acreage of pecans be sequentially thinned for the current crop year?	If any block will be sequentially thinned during the current crop year, the insured must answer "Yes". Enter the block number for the applicable block(s) in the Remarks section. Only the trees remaining after sequential thinning are insurable. The insured must report on the acreage report, the number of insurable trees. Any trees that will be sequentially thinned will be reported as uninsurable.
4. Is the current water supply (surface allotment/well) adequate and sufficiently clean (acceptable salt/sodium levels) to maintain the trees being certified above?	For pecan trees for which an irrigated practice is required for insurability: If the insured answers the question "NO", enter the block number for the applicable block(s) in the Remarks section and explain. If the water supply is not adequate (including water quality) on the date insurance attaches, the block will not be insurable.
5. Is a recommended weed control program being followed?	If the insured answers the question "NO", enter the block number for the applicable block(s) in the Remarks section and explain.
6. Is a recommended fertilization program being followed?	If the insured answers the question "NO", enter the block number for the applicable block(s) in the Remarks section and explain.
7. Is a recommended disease control program being followed?	If the insured answers the question "NO", enter the block number for the applicable block(s) in the Remarks section and explain.
8. Is a recommended insect control program being followed?	If the insured answers the question "NO", enter the block number for the applicable block(s) in the Remarks section and explain.
9. Is the pecan production from the insurable acreage sold for human consumption?	If the insured answers the question "NO", enter the block number for the applicable block(s) in the Remarks section and explain. Any block from which the pecan production is not sold for human consumption is not insurable.

Producer Pre-Acceptance Worksheet – (Pecan Trees) (Continued)

ELEMENT	REQUIRED INFORMATION
If the answer to question 2 is "YES", the block may not be insurable. If the answers to one of more of questions 5 – 8 are "NO", the AIP may determine the orchard or block does not qualify as commercial pecan acreage and is not insurable.	
Remarks	Enter notes pertinent to the PAW (PCT) certification, such as the source of information used to complete the worksheet, method of determining tree numbers, and description of the block(s). Once the initial PAW (PCT) and aerial photo(s), maps (e.g. GPS), or Grove Identification Map has been submitted, insureds who continue insurance coverage in subsequent crop years will be allowed to self-certify in the Remarks section of the original PAW (PCT) that no change has occurred. The insured will write "No change for XXXX Crop Year," initial and date. If any changes have occurred since the original certification that would alter the stage-block designations (pruning, dehorning, hedging) or the numbers of trees in each stage-block, an amended or revised worksheet, a Grove Identification Map and an aerial photo(s) (e.g. FSA) or satellite imagery (e.g. GPS, Google) should be completed for any blocks of trees affected by the change. The nature and date of the revisions or amendments should be noted in the Remarks section. Identify the applicable block(s) to which any "Yes" or "No" answers to the preceding questions applies and provide an explanation if required. Attach a supplemental fact sheet if more space is needed.
Corrected/Revised: **Yes ☐ No ☐**	If a PAW (PCT) Review is conducted, the loss adjuster/inspector will check the applicable box. If there are no changes to the PAW (PCT), the loss adjuster/inspector will sign and date the original PAW (PCT). If the PAW (PCT) is corrected or revised, the insured and adjuster/inspector will sign and date the corrected/revised PAW (PCT). See paragraph 26D for additional applicant/insured instructions.

.

Pre-Acceptance Worksheet – (Pecan Trees) (Continued)

PRODUCER'S PRE-ACCEPTANCE WORKSHEET (PECAN TREE)

Applicant's/Insured's Name	Applicant's/Insured's Policy Number	County	State	Crop	Crop Year	Unit Number

Stages (trunk diameter): Stage I – ≤ 6 inches; Stage II – 6.01-10.0 inches; Stage III – 10.01-15.0 inches; Stage IV – 15.01-20.0 inches; Stage V – > 20.0 inches

Block Number	Legal Description Section-Township-Range- Other Land Identifier (e.g. Spanish land grants, metes and bounds, etc.)	FSA Farm/Tract /Field Number	Acres	Insurable or Uninsurable Block (Orchard)	Total Acres Measured by AIP	Variety – Improved, Native, Seedling, or Mixed	Type (Group) - Variety Group	Practice	Crop Year of Set Out (Improved or Seedling – Stage I only)	Crop Year of Reset (Stage I – III only)	Crop Year of Dehorning, Pruning, or Hedging	Tree Spacing	Planting Pattern[2] S, B, Q, H, D, O	Number of Trees	Uninsurable Trees	Stage and Number of Trees	Percent of Trees	Stage Block Number
Totals:														12.03				12.03

Provide the date when the last inspection of the unit was performed, if applicable:	Date:

Please select either 'Yes' or 'No'

1. Has damage occurred to trees from wind (tornado or hurricane), freeze, ice storm, drought, flood, fire, disease, hail, and/or failure of the irrigation water supply?	**[ ]** YES	**[ ]** NO

Pre-Acceptance Worksheet – (Pecan Trees) (Continued)

2. Have practices or production methods (e.g. removal [ ], transplanting [ ], resetting [ ], dehorning [ ], grafting [ ], pruning [ ], hedging [ ], transitioning to organic [ ]) been performed? (Check applicable practice or method.)	**[ ]** YES	**[ ]** NO
3. Will the insurable acreage of pecans be sequentially thinned for the current crop year?	**[ ]** YES	**[ ]** NO
4. Is the current water supply (surface allotment/well) adequate and sufficiently clean (acceptable salt/sodium levels) to maintain the trees being certified above?	**[ ]** YES	**[ ]** NO
5. Is a recommended weed control program being followed?	**[ ]** YES	**[ ]** NO
6. Is a recommended fertilization program being followed?	**[ ]** YES	**[ ]** NO
7. Is a recommended disease control program being followed?	**[ ]** YES	**[ ]** NO
8. Is a recommended insect control program being followed?	**[ ]** YES	**[ ]** NO
9. Is the pecan production from the insurable acreage sold for human consumption?	**[ ]** YES	**[ ]** NO
Remarks:		

Planting Pattern[2] (see CIH, Exhibit 18, P-U)	(S) Square Planting Pattern	(H) Hexagonal Planting Pattern
	(B) Hedgerow or Border Planting Pattern	(D) Double Row Planting
	(Q) Quincunx	(O) Other

(See DSSH for applicable statements)

Insured's Printed Name	Insured's Signature	Date

PAW (PCT) Review		
Corrected/Revised: ☐ Yes No ☐		
Insured's Printed Name	Insured's Signature	Date
	Adjuster's Signature	Date

Pre-Acceptance Inspection Report (Pecan Trees)

The PAIR (PCT) may be prepared on a unit or block basis (where the unit contains more than one block). Generally, a separate PAIR (PCT), by block(s), would be required if information collected indicated an individual block should be rejected for insurance purposes. A PAIR (PCT) can be:

(1) On a unit basis (if prepared on a unit basis, space is provided to list rejected (uninsurable) blocks as applicable);
(2) Separately prepared for each rejected block if the key element(s) for rejection are different by block;
(3) Used to list more than one rejected block if the conditions for rejection within same key element(s) indicate multiple blocks within the unit should be rejected (When multiple blocks within a unit are rejected, rejection of the entire unit should be considered.); or
(4) As otherwise determined by loss adjuster/inspector.

See the Actions Recommended element in the instructions below.

ELEMENT	REQUIRED INFORMATION
Applicant's/Insured's Name, Phone Number	Applicant's/Insured's name and phone number.
Name(s) of Owner	Enter the names of other owners with an insurable share in the crop (not SBIs). If none, enter "NONE".
Name of Operator	Enter the name of the operator(s).
State, County, and Policy Number	State, county, and policy number to which the crop pertains.
Crop Year	Enter the appropriate year.
Crop	Enter the crop (commodity) name as listed in the actuarial documents.
Unit Number	Enter the appropriate unit number. BUs, OUs, and EUs are allowable as defined in the CP.
Block Number	Enter the block number (s) for each separate block within the unit as identified on a Grove Identification Map and an aerial photo(s) (e.g. FSA) or satellite imagery (e.g. GPS, Google). Enter the block number to the third decimal place (e.g. 001). A block is a stand of trees of a variety or varieties, native trees or seedling trees on acreage sharing a common boundary with no discernible change in planting pattern (a homogenous planting pattern) except that a block of native pecan trees will be that acreage sharing a common boundary without regard to any planting pattern. If there is a change in planting pattern that distinguishes areas within the block (e.g. a planted stand and a native stand), the insured can list these areas as separate blocks on the PAIR (PCT).

Pre-Acceptance Inspection Report (Pecan Trees) (Continued)

ELEMENT	REQUIRED INFORMATION
Block Number (Continued)	If acreage of trees of different varieties, native trees, seedling trees, or stages within the block can be separately plotted, the acreage within the block should be drawn out within the block on the Grove Identification Map and an aerial photo(s) (e.g. FSA) or satellite imagery (e.g. GPS, Google).
Legal Description	Enter the section, township and range, or other descriptions for land if rectangular survey is not applicable. This may include GPS coordinates or other land identification. If additional space is needed, attach a supplemental sheet.
FSA Farm/Tract/Field Number	FSA Farm/Tract/Field number is optional unless units are based on FSA FN, then the FSA FN is required.
Location Description	Enter additional information about the location of the unit.
1. How many years has the insured operated this unit? **If less than 3 years, include previous owner name and address, if known.**	Obtain this information from the insured. This information will assist the loss adjuster/inspector in determining and assessing the orchard practices and management. If less than three years, include previous owner name and address, if known.
2. Has this unit been insured in previous years? **If yes, include the years insured and prior policy number(s).**	Enter "No" if the unit has not previously been insured by the current insured or another producer. Enter "Yes" if the unit has previously been insured by the current insured or another producer. If the unit was previously insured and when appropriate, review any previous PAIR (PCT)'s, PAW (PCT)'s and other policy information (e.g. acreage reports) to assist in the PAIR (PCT) completion to understand any insurability concerns, whether changes have occurred in cultural practices or methods, etc. that may impact the insurability of the unit (or individual block if rejection is on a block basis).

Pre-Acceptance Inspection Report (Pecan Trees) (Continued)

ELEMENT	REQUIRED INFORMATION
3. Describe weed control measures used for the unit. **Include a description of the orchard floor management: (e.g. tilled, sod, cover crop, etc.)**	Review with the insured and explain in detail the cultivation and/or spray program used to control weeds. Describe the orchard floor management. Describe if this element may increase risk and impact acceptance or rejection of the unit (or individual block if rejection is on a block basis). List any applicable block(s).
4. Describe the fertilization program used for the unit. **Include the insured's method of monitoring soil fertility (i.e. soil analysis, foliar analysis, or both).**	Describe in detail the fertilization program being used and method of monitoring soil fertility. Describe if this element may increase risk and impact acceptance or rejection of the unit (or individual block if rejection is on a block basis). List any applicable block(s).
5. Describe in detail disease and insect control measures used (e.g. integrated pest management, calendar spray program, methods used for organic practices, etc.).	Describe in detail the insect and disease control measures used by the insured (e.g. integrated pest management, a calendar spray program, methods used for organic practices, etc.). Describe if this element may increase risk and impact acceptance or rejection of the unit (or individual block if rejection is on a block basis). List any applicable block(s).
Evidence of: **Disease (check one):** **Insects (check one):**	Check the applicable box.

Pre-Acceptance Inspection Report (Pecan Trees) (Continued)

ELEMENT	REQUIRED INFORMATION
6. Evidence of prior damage. If present, describe type of damage and severity.	When any damage (i.e. drought, freeze, freezing rain, wind, flood, fire, irrigation water supply failure, or salt concentrations) has occurred that may limit insurability or reduce coverage for the insured crop after accounting for acreage/tree reduction relative to when the last PAIR (PCT) was performed or when the last liability reduction was made (e.g. loss determination). Note the unit (or individual block if rejection is on a block basis) where damage has occurred which may affect insurability or coverage for the current crop year. List any uninsurable blocks if damage applies on a block basis. If damage is noted, explain in detail, noting the month/year of damage. Identify on a Grove Identification Map and an aerial photo(s) (e.g. FSA) or satellite imagery (e.g. GPS, Google) those blocks and if applicable, the areas of damaged acreage of trees within a block that has been damaged. Verify that the unit, block(s), or areas of damaged trees, applicable stages, insurable and uninsurable determinations have been correctly recorded on the PAW (PCT) and acreage report.
7. Evidence of deep planting (e.g. graft union below soil line).	Determine the percentage of any block within the unit where there is evidence of deep planting such as the graft union being below the soil line. If 25 percent or more of the trees are deep planted, the block is not insurable (See section 8(c)(1)(i) of the CP). List any uninsurable block in the Acreage/Tree/Inspection Information section of the PAIR (PCT). Verify that the block(s) have been identified as uninsurable and correctly recorded on the PAW (PCT) and location documents (e.g. Grove Identification Map).
8. Evidence of poor drainage or ponding.	Determine the percentage of any block within the unit that has areas of poor drainage or ponding. If 25 percent or more of the block is subject to either condition, the block is not insurable. List any uninsurable block in the Acreage/Tree/Inspection Information section of the PAIR (PCT). Verify that the block(s) have been identified as uninsurable and correctly recorded on the PAW (PCT) and location documents (e.g. Grove Identification Map).

Pre-Acceptance Inspection Report (Pecan Trees) (Continued)

ELEMENT	REQUIRED INFORMATION
9. If drought is an insured cause for non-irrigated (NIrr.) acreage, does the number of trees exceed the maximum number of trees per acre for the stage (check all that apply)?	Any NIrr. block in which the number of trees/acre for the stage (determined on a weighted basis if more than one stage applies) exceeds the maximum levels contained in the tree/acre table shown here and as specified in the SP will not be insurable against drought damage where drought is an insurable cause of loss. Enter applicable block number for any uninsurable block. Verify that applicable block(s) has been correctly recorded on the PAW (PCT) and acreage report. See SP for additional information. Show any weighted stage calculations on a supplemental fact sheet and attach to the PAIR (PCT).
10. Is a sequential thinning or other tree removal program being carried out? If so, explain.	Describe the sequential thinning program or other tree removal that will be implemented for the current crop year and the number of trees to be removed. Verify that any trees which are intended to be sequentially thinned are listed as uninsurable on the PAW (PCT) and the acreage report.
11. Irrigated/Non-irrigated practice	Check the appropriate box (if separate practices are shown on the SP). List the applicable blocks by practice. If the irrigated practice is required for insurability, enter All Blocks.
12. If the unit is under an irrigated practice, describe in detail the irrigation water source(s):	If only an irrigated practice is shown on the SP and actuarial documents, describe in detail the irrigation source(s) (if needed, use the Remarks section). Only irrigated trees are insurable. Obtain from the insured information about water source(s) and irrigation district(s) from which water is allocated, allocation percentage, and irrigation well information. Include any information regarding water obtained through water transfers and any potential curtailment of current and future water supplies. If an adequate irrigation water supply is not available or not available for individual blocks, identify the block(s) in the Additional Explanation section for this element as uninsurable. Verify that the applicable block(s) have been correctly recorded on the PAW (PCT) and acreage report.

	Max. Trees/Acre	
Stage V	15[1]	13[2]

[1]Applies to Alabama, Arkansas, Florida, Georgia, Louisiana, Missouri, South Carolina

[2]Applies to Kansas, Oklahoma, Texas

Pre-Acceptance Inspection Report (Pecan Trees) (Continued)

ELEMENT	REQUIRED INFORMATION
13. Describe in detail the topsoil depth of the unit.	Estimate the topsoil depth (based on general knowledge or local soil surveys for the area if available). Describe if this element may increase risk and impact acceptance or rejection of the unit (or individual block if rejection is on a block basis). List any applicable block(s).
14. Describe in detail the topsoil texture of the unit.	Describe the soil texture characteristics (fine (clay), medium, or coarse (sandy) texture). Describe if this element may increase risk and impact acceptance or rejection of the unit (or individual block if rejection is on a block basis). List any applicable block(s).
15. Are there soil limitations (e.g. slope, depth, texture, drainage, pH, saline/sodic, toxicity, etc.)? If so, explain.	Discuss with the insured (and perform an assessment) to determine any potential soil limitations (e.g. slope, depth, drainage, pH, saline/sodic, or toxicity, etc.). Other resources should also be considered when appropriate, such as soil maps. Areas of stunted growth, thin foliage, dead limbs, or light green or discolored foliage may indicate that soil limitations exist. Describe if this element may increase risk and impact acceptance or rejection of the unit (or individual block if rejection is on a block basis). List any applicable block(s).
16. Is the unit subject to above normal flood hazards? If so, explain.	Determine whether any abnormal flood hazards exist. Describe if this element may increase risk and impact acceptance or rejection of the unit (or individual block if rejection is on a block basis). List any applicable block(s).
17. Describe in detail any pruning or hedging practices used. How often is pruning or hedging performed?	Describe in detail the pruning/hedging practices used, date normally completed, and whether pruning/hedging is annual, biennial, etc.
18. Are native trees, seedling trees, improved trees, or a combination being used in this unit?	List acreage and number of trees for each tree type. Identify the acreage on a Grove Identification Map and an aerial photo(s) (e.g. FSA) or satellite imagery (e.g. GPS, Google).

Pre-Acceptance Inspection Report (Pecan Trees) (Continued)

ELEMENT	REQUIRED INFORMATION
19. If improved trees are used:	List the varieties. Include variety(ies)/location (see map/photo instruction, Element 18), number of trees, density(trees/acre), configuration, and if adapted to the area.
20. If native or seedling trees are used:	List the location (see map/photo instruction, Element 18), number of trees, density (trees/acre), and configuration (if the trees are in a distinguishable pattern).
21. For Stage I trees, what is the date of set out (for improved varieties and seedling trees) and diameter size for native trees?	For Stage I trees, enter the date and calendar year of set out. (Date of set out applicable for purposes of establishing insurability.) Native trees must have a trunk diameter of at least three inches to be insurable. List any uninsurable block(s). Verify that any Stage I blocks (improved, seedling, and native) not meeting insurability requirements have been correctly recorded on the PAW (PCT) and acreage report.
22. What is the date of grafting (for improved varieties if performed after set out)?	For trees grafted after set out, enter the date and calendar year of grafting (used to determine insurability; see section 8(b)(1)(iii) of the CP). List any uninsurable block(s) if applicable. Verify that any uninsurable block(s) have been correctly recorded on the PAW (PCT) and acreage report.
23. Are trees leaning or toppled? **If so, describe the number of trees toppled or leaning and the severity of the lean (degrees from vertical).**	Describe the number of trees toppled or leaning, the severity of the lean, and the condition of the trees, i.e. the trees are in decline or are in a similar condition to surrounding trees that are not leaning or were not toppled. Trees are uninsurable if leaning or toppled to the extent reset (see reset definition) is required, if practical, (See the LASH, paragraph 33 for guidance) and such trees are not reset. (Reset does not apply to stage IV and V trees; stage IV and V trees that are leaning are not insurable.) Verify that the trees have been identified as uninsurable and correctly recorded on the PAW (PCT) and location documents (e.g. Grove Identification Map). If trees are leaning or toppled (stage I – III) and showing signs of tree decline (e.g. dead limbs in the top portion of the tree or throughout, thinning leaves, etc., resulting from various causes, e.g. a damaged root system and related factors, disease, etc.), they will be considered uninsurable.

Pre-Acceptance Inspection Report (Pecan Trees) (Continued)

<table>
<tr><th>ELEMENT</th><th>REQUIRED INFORMATION</th></tr>
<tr><td rowspan="2">24. Have previously leaning or toppled trees been reset?

If so, describe the number of trees that have been reset and when reset occurred.</td><td>Leaning or toppled trees (stage I – III trees) requiring reset are insurable if reset.</td></tr>
<tr><td>For insured trees insurably damaged the prior (or current) crop year and reset:
Areas within the unit or block which have been reset should be identified. (Any indemnity payable for damage for such trees will be based on RM4 loss determinations. If during the 15-month damage discovery period following the crop year in which the insured damage event occurred, reset trees die, any additional loss determination (RM1 or RM2, as applicable) will be based on the original date and crop year of damage. The total indemnity will not exceed the liability limits contained in the section 13(a)(3) of the CP.)</td></tr>
<tr><td>25. Space occupied by the canopies of live trees (percent of the orchard floor covered by shade at noon):</td><td>The degree of shading in an orchard is an indication of over-crowding. Acreage exceeding the maximum levels, by stage, would not be insurable for drought. Review the maximum trees/acre table and insurability instructions in Element 9.</td></tr>
<tr><td>26. Minimum Number of Trees/Acre</td><td>Check the applicable entry for the block. If the PAIR (PCT) applies to a block containing different stages, the minimum number of trees/acre will be a weighted average for the block, based on the applicable stage minimums shown on the adjacent table.

Minimum trees per acre must equal or exceed the recommended minimum number of trees per acre shown in tree/acre table for insurability. Enter applicable block number for any uninsurable block. Verify that applicable block(s) has been correctly recorded on the PAW (PCT) and acreage report.

See the SP for additional information.
Show any weighted stage calculations on a supplemental fact sheet and attach to the PAIR (PCT).
<table>
<tr><th rowspan="2">Stage</th><th colspan="4">Trees/Acre</th></tr>
<tr><th colspan="2">Improved Varieties – Seedling Trees</th><th colspan="2">Native Trees</th></tr>
<tr><td>Stage I</td><td>18[1]</td><td>18[2]</td><td>10[1]</td><td>10[2]</td></tr>
<tr><td>Stage II</td><td>18[1]</td><td>18[2]</td><td>10[1]</td><td>10[2]</td></tr>
<tr><td>Stage III</td><td>18[1]</td><td>18[2]</td><td>10[1]</td><td>10[2]</td></tr>
<tr><td>Stage IV</td><td>13[1]</td><td>13[2]</td><td>7[1]</td><td>7[2]</td></tr>
<tr><td>Stage V</td><td>4[1]</td><td>4[2]</td><td>4[1]</td><td>4[2]</td></tr>
<tr><td colspan="5">[1]Applies to Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, Missouri, South Carolina
[2]Applies to Kansas, New Mexico, Oklahoma, Texas</td></tr>
</table>
</td></tr>
</table>

ELEMENT	REQUIRED INFORMATION
27. Determine the current unit potential:	Check the applicable entry for the unit. If the PAIR (PCT) applies to more than one block and the potential varies by block, list the block(s) within the unit for each applicable potential.
28. Do trees in this unit have sufficient vigor to produce a reasonable yield?	Check Yes or No for the unit. If Yes is checked, then check either the Good or Average entry. If No is checked, then check the Poor entry. If the PAIR (PCT) applies to more than one block within a unit and the vigor varies by block, check the applicable vigor level and list the block(s) for each applicable level.
29. Crops commercially grown primarily for:	Check all that apply (For insurability, the orchard must be a commercial orchard. See Definitions.).

Acreage/Tree/Inspection Information

ELEMENT	REQUIRED INFORMATION
Measured or Determined Acres of Unit/Block(s):	Enter the total unit acreage. If a PAIR (PCT) applies on a block basis (for each block separately or multiple blocks, within the unit), identify each block and enter the acreage by block.
Total Unit Acreage Insurable:	N/A
Total Unit Acreage Uninsurable:	N/A
Method of Measurement:	Enter the method(s) of measurement.
Determined Number of Trees/Acre in Unit/Block(s):	Enter the total number of trees in the unit. If a PAIR (PCT) applies on a block basis (for each block separately or multiple blocks within the unit), identify each block and enter the number of trees/acre by block. (Units or blocks that do not contain the minimum number trees per acre are uninsurable.) If the producer estimates the tree number on the PAW (PCT), the loss adjuster/inspector must verify the accuracy of the estimate (see paragraph 26D for additional instructions).
Total Unit/Block Number of Trees Insurable: **Total Unit/Block Number of Trees Uninsurable:**	Enter the total number of insurable and uninsurable trees in the unit. If a PAIR (PCT) applies on a block basis (for each block separately or multiple blocks, within the unit), identify each block (rejected and accepted) and enter the number of insurable and uninsurable trees by block. If the producer estimates the tree number on the PAW (PCT), the loss adjuster/inspector must verify the accuracy of the estimate (see paragraph 26D for additional instructions).

Pre-Acceptance Inspection Report (Pecan Trees) (Continued)

ELEMENT	REQUIRED INFORMATION
Method of Measurement:	Enter the method(s) of measurement.
Determined Number of Trees by Stage	Enter the number of insurable trees by stage.
Insurable tree information: **Complete and attach appropriate crop addendum worksheet(s)** **Verify and/or correct Producer's Pre-Acceptance Worksheet(s)**	Crop Addendum Worksheets are not applicable. Verify entries on PAW (PCT)(s), making any corrections needed, and initial/sign.
Uninsurable tree information: **Complete and attach appropriate crop addendum worksheet(s)** **Verify and/or correct Producer's Pre-Acceptance Worksheet(s)**	Crop Addendum Worksheets are not applicable. Verify entries on PAW (PCT(s), making any corrections needed, and initial/sign.
Obtain and attach Grove Identification Map and an aerial photo(s) (e.g. FSA) or satellite imagery (e.g. GPS, Google)	Obtain aerial photo(s) or maps (e.g. GPS) with blocks, units, and legal description, must be clearly identified and consistent with the same information contained on a Grove Identification Map. When the Grove Identification Map and an aerial photo(s) (e.g. FSA) or satellite imagery (e.g. GPS, Google) are not available, include hand sketch map(s) with the following information: (a) Identify the location of separate units for the same insured. The unit location must identify roads, the nearest intersection, landmarks along with cardinal directions (e.g. a north arrow) or township/range/section designations;

Pre-Acceptance Inspection Report (Pecan Trees) (Continued)

ELEMENT	REQUIRED INFORMATION
Obtain and attach Grove Identification Map and an aerial photo(s) (e.g. FSA) or satellite imagery (e.g. GPS, Google) (Continued)	(b) Identify the location of blocks within one unit. Sketch out the blocks, showing the exact location of each block in relation to other blocks in the unit. Label each block with a Block Number and any other applicable identification (e.g. home farm); (if available, show identifiable varieties, native trees, seedling trees, or stages); and (c) Include an overall sketch map of all units.
Additional information and comments	Additional notes and observations. Include supplemental fact sheets, as necessary, referencing appropriate items.
Loss adjuster/inspector's evaluation of the management of the operation (check one): **Loss adjuster/inspector's evaluation of the unit or block conditions:**	These are subjective questions requiring consideration for overall evaluation of management and conditions of the unit. Evaluate the unit or block(s). Rate as above average, average, or below average based on the Loss adjuster/inspector's review. Check the applicable entry for the unit; check all entries that apply if multiple blocks are being evaluated. List each block.
Actions Recommended:	Check the applicable entry for the unit; check the applicable entry if different recommendations are being made by block. List each block.
Sign and Date	The loss adjuster/inspector (and Supervisor) must sign and date the PAIR (PCT) form.

Pre-Acceptance Inspection Report (Pecan Trees) (Continued)

PRE-ACCEPTANCE INSPECTION REPORT (PECAN TREE)

A separate Pre-Acceptance Inspection Report (Pecan Tree) needs to be completed for each block within the unit.

Applicant's/Insured's Name	Applicant's/Insured's Phone Number	State	County	Policy No.	Crop Year	Crop	Unit Number	Block Number

Name of Owner	Name of Operator	Legal Description: Section-Township-Range- Other Land Identifier (e.g. Spanish land grants, metes and bounds, etc.)	FSA Farm/Tract/Field Number	Location Description

Questions:	Provide Answers in This Section:		
1. How many years has the applicant/insured operated this unit?			
If less than 3 years, include previous owner name and address, if known.			
2. Has this unit been insured in previous years?			
If yes, include the years insured and prior policy number(s).			
3. Describe weed control measures used for the unit. Include a description of the orchard floor management: (e.g. tilled, sod, cover crop, etc.)			
4. Describe the fertilization program used for the unit. Include the insured's method of monitoring soil fertility (i.e. soil analysis, foliar analysis, or both).			
5. Describe in detail disease and insect control measures used (e.g. integrated pest management, calendar spray program, methods used for organic practices, etc.).			
Evidence of disease (check one):	[ ] RARE	[ ] SEVERE	[ ] MODERATE
Evidence of insects (check one):	[ ] RARE	[ ] SEVERE	[ ] MODERATE
6. Evidence of prior damage. If present, describe type of damage and severity.			
7. Evidence of deep planting (e.g. graft union below soil line).	[ ] Less than 25 percent of trees	[ ] 25 percent or more of trees	
8. Evidence of poor drainage or ponding.	[ ] Less than 25 percent	[ ] 25 percent or more	

Pre-Acceptance Inspection Report (Pecan Trees) (Continued)

9. If drought is an insured cause for non-irrigated acreage, does the number of trees exceed the maximum number of trees per acre for the stage (check all that apply)?	Stage I	Stage II	Stage II	Stage IV	Stage V
	[ ] Yes [ ] No	[ ] Yes [ ] No	[ ] Yes [ ] No	[ ] Yes [ ] No	[ ] Yes [ ] No
10. Is sequential thinning or other tree removal program being carried out? If so, explain.					
11. Irrigated/Non-irrigated practice:	[ ] IRRIGATED		[ ] NON-IRRIGATED		
12. If the unit is under an irrigated practice, describe in detail the irrigation water source (s):	Surface: (percentage of total supply)	Irrigation district name	Last year's allocation: (percentage of normal)	Expected allocation this year: (percentage of normal)	
	%		%	%	
	Salinity (dS m^{-1}):		Sodium (SAR):	Boron (ppm):	
Additional explanation for Element 12 entries, if applicable:	Irrigation Well(s): (percentage of total supply)	How many wells?	Total gallons per minute? GPM		
	%				
	Water obtained through water transfer:_____ acre feet per acre				
	Salinity (dS m^{-1}):		Sodium (SAR):	Boron (ppm):	
13. Describe in detail the topsoil depth of the unit.					
14. Describe in detail the topsoil texture of the unit.					
15. Are there soil limitations (e.g. slope, depth, texture, drainage, pH, saline/sodic, toxicity, etc.)? If so, explain.					
16. Is the unit subject to above normal flood hazards? If so, explain.					
17. Describe in detail any pruning or hedging practices used. How often is pruning or hedging is performed?					
18. Are native trees, seedling trees, improved trees, or a combination being used in this unit? List acreage and number of trees for each tree type:	Improved Tree Acreage/Tree Number:		Native Tree Acreage/Tree Number:	Seedling Tree Acreage/Tree Number:	
19. If improved are used, list the varieties. Include variety(ies)/location, number of trees, density (trees/acre), configuration, and if adapted to the area.					

Pre-Acceptance Inspection Report (Pecan Trees) (Continued)

20. If native trees or seedling trees are used, list the location, number of trees, density (trees/acre), and configuration (if the trees are in a distinguishable pattern).	
21. For Stage I trees, what is the date of set out (for improved varieties and seedling trees and diameter size for native trees)?	
22. What is the date of grafting (for improved varieties if performed after set out)?	
23. Are trees leaning or toppled? If so, describe the number of trees toppled or leaning and the severity of the lean (degrees from vertical).	
24. Have previously leaning or toppled trees been reset? If so, describe the number of trees that have been reset and when reset occurred.	

25. Space occupied by the canopies of live trees (percent of the orchard floor covered by shade at noon):	[ ] Less than 50%	[ ] 50-60%	[ ] 61-70%	[ ] 71-80%	[ ] 81-90%	[ ] 91-100%

26. Minimum Number of Trees/Acre.	Native		Improved/Seedling	
	[ ] Less than minimum	[ ] Equals or exceeds minimum	[ ] Less than minimum	[ ] Equals or exceeds minimum
	Applicable Block #s	Applicable Block #s	Applicable Block #s	Applicable Block #s

27. Determine the current unit potential: (check one)	STABLE [ ]	Applicable Block #s	DECLINING [ ]	Applicable Block #s	INCREASING [ ]	Applicable Block #s

28. Do trees in this unit have sufficient vigor to produce a reasonable yield?	YES [ ]	NO [ ]	Tree vigor:	GOOD [ ]	Applicable Block #s	AVERAGE [ ]	Applicable Block #s	POOR [ ]	Applicable Block #s

29. Crops commercially grown primarily for (check all that apply):	[ ] RETAIL	[ ] SHELLER	[ ] EXPORTER	[ ] PROCESSOR	[ ] OTHER

Acreage/Tree/Inspection Information					
Measured or Determined Acres of Unit/Block(s):	Total Unit Acreage Insurable:	Total Unit Acreage Uninsurable:	Method of Measurement:		
Determined Number of Trees in Unit/Block(s)	Total Unit/Block(s) Number of Trees Insurable	Total Unit/Block(s) Number of Trees Uninsurable	Method of Measurement:		
Determined Number of Trees by Stage	Stage I	Stage II	Stage III	Stage IV	Stage V
Insurable tree information:	Complete and attach appropriate crop addendum worksheet(s) [ ]	Verify and/or correct Producer's Pre-Acceptance Worksheet(s) [ ]			

Pre-Acceptance Inspection Report (Pecan Trees) (Continued)

Uninsurable tree information:	**Complete and attach appropriate crop addendum worksheet(s) [ ]**	**Verify and/or correct Producer's Pre-Acceptance Worksheet(s) [ ]**
Obtain and attach aerial photo(s)/map(s) [ ]	**Additional information and comments (attach additional sheets if necessary) [ ]**	

Loss adjuster/inspector's evaluation of the management of the operation (check one):	**Above Average [ ]**		**Average [ ]**		**Below Average [ ]**	
Loss adjuster/inspector's evaluation of the unit or block conditions (check one for the unit; check all that apply if multiple blocks):	**Above Average [ ]**		**Average [ ]**		**Below Average [ ]**	
	Unit [ ]	**Block #s [ ]**	**Unit [ ]**	**Block #s [ ]**	**Unit [ ]**	**Block #s [ ]**

Actions Recommended (check the applicable entry for the unit or block if multiple blocks):	**Acceptance**		**Rejection**	
	Entire Unit [ ]	**Block #s [ ]**	**Entire Unit [ ]**	**Block #s [ ]**

(See DSSH for applicable statements)

Adjuster's Printed Name	Adjuster's Signature	Date
Adjuster Telephone Number and Contact Point		
Supervisor's Printed Name	Supervisor's Signature	Date
Supervisor's Telephone Number		

Item:

(1) Enter the name of the insured or applicant.

(2) Enter the county where insurance attaches.

(3) Enter the policy number.

(4) Enter the crop and type, if applicable.

(5) Enter the unit number.

(6) Enter the section, township, and range (or applicable legal description in place of section, township, and range) in which the insured crop is located.

(7) Maps: Identify the acreage to be mapped using a unit designation. Use as many maps as necessary.

   (a) Identify highways and other significant landmarks that can be used to help identify orchard locations.

   (b) Outline block locations. Draw blocks in actual shapes and as close to scale as possible. Indicate the varieties, native trees, seedling trees, stages, damaged/reset areas of planted trees, etc. (sub-blocks), if identifiable. Indicate any trees that have been excluded from coverage by labeling as “excluded.”

   (c) Outline land ownership boundaries in red for each section involved. Indicate land ownership across section lines with tie bars.

GROVE IDENTIFICATION MAP (FOR ILLUSTRATION ONLY)

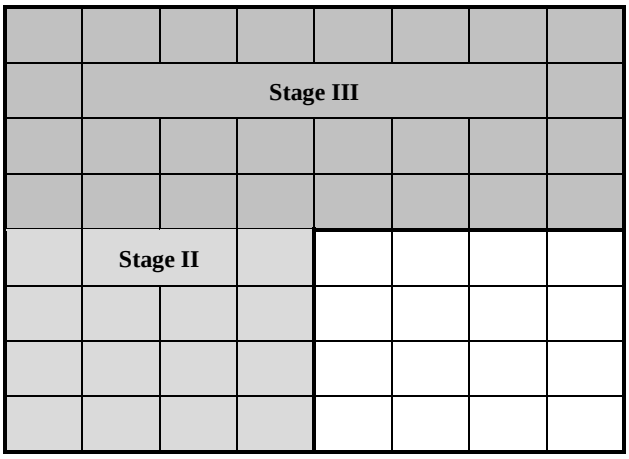
Page _1__ of __1_

Joe Farmer	Dougherty	XXXXXXX
(Name of Insured or Applicant)	(County)	(Policy Number)

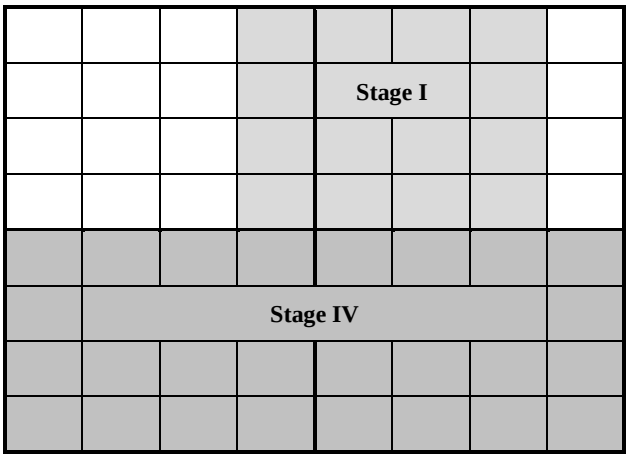
Crop: Pecan Trees Type: Group I Unit No.: 00010000BU

Legal Description: Township: Range:

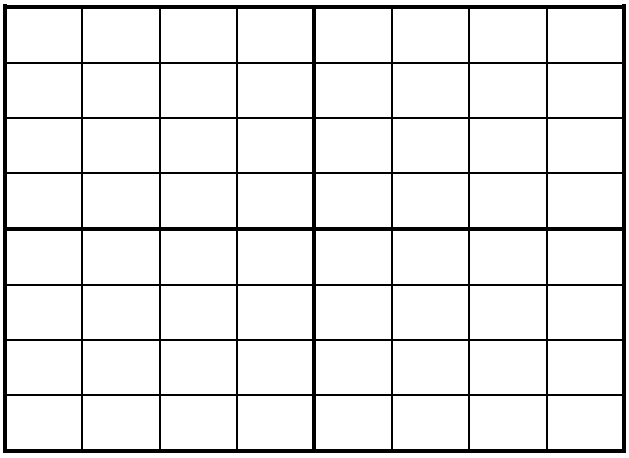
Section: FSA FN 6



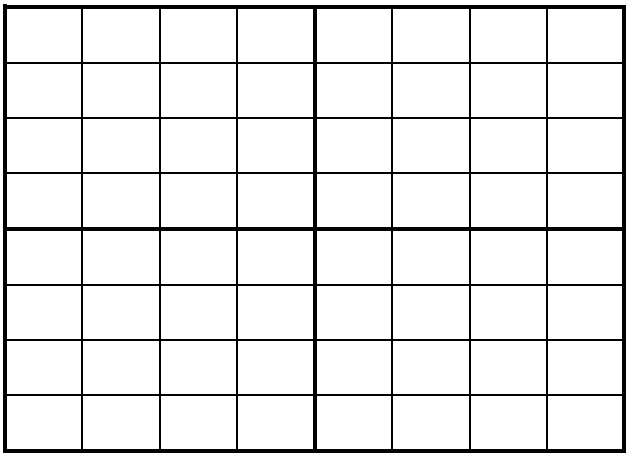
Section: FSA FN 7



Section: _____



Section: _____

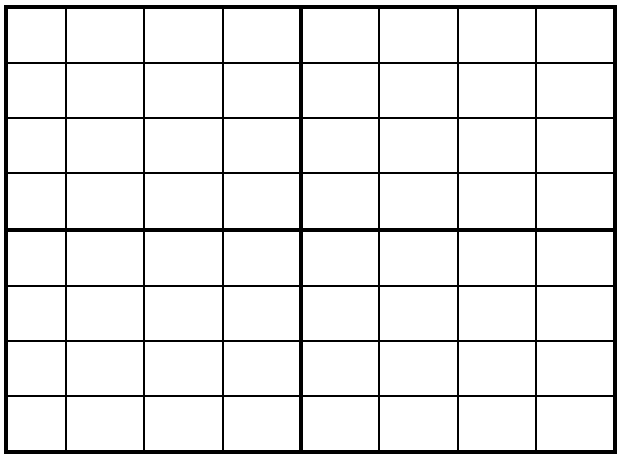


Comments:

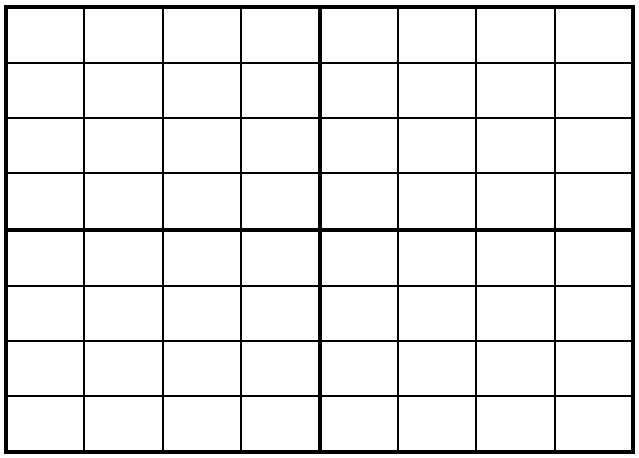
GROVE IDENTIFICATION MAP – Continuation Sheet (for illustration only)

Page ___ of ___

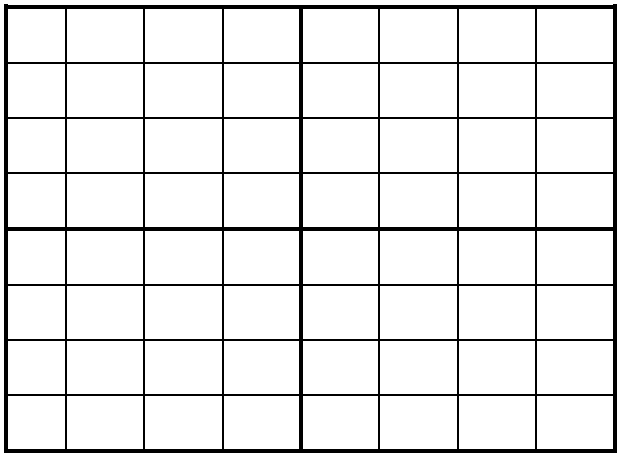
Section: _____



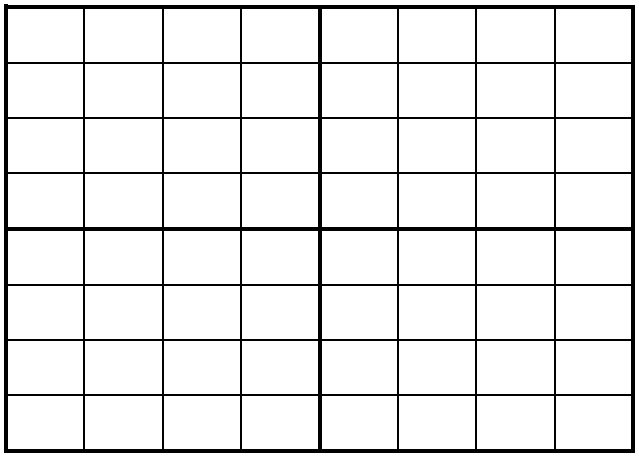
Section: _____



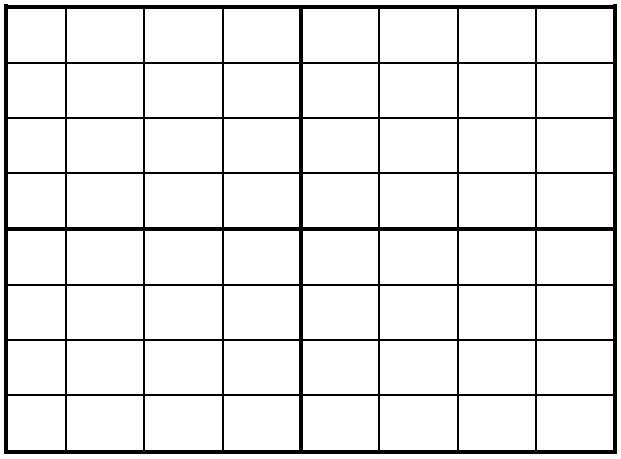
Section: _____



Section: _____



Section: _____



Section: _____

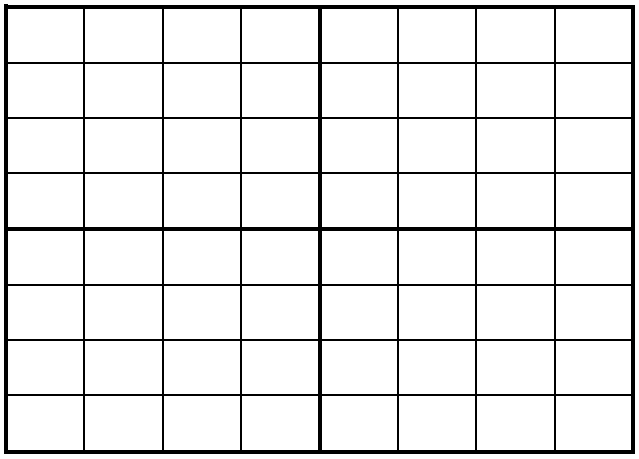


Table A – Setting Distances and Approximate Number of Trees Per Acre

Tree Spacing (Feet)	Row Spacing (Feet)									
	20	30	35	40	45	50	60	70	80	100
20	109	73	62	54	48	44	36	31	27	22
30	73	48	41	36	32	29	24	21	18	15
35	62	41	36	31	28	25	21	18	16	12
40	54	36	31	27	24	22	18	16	14	11
45	48	32	28	24	22	19	16	14	12	10
50	44	29	25	22	19	17	15	12	11	9
60	36	24	21	18	16	15	12	10	9	7
70	31	21	18	16	14	12	10	9	8	6
80	27	18	16	14	12	11	9	8	7	5
100	22	15	12	11	10	9	7	6	5	4

The above figures are for square/rectangular and hedgerow plantings. Use the formula below for tree and/or row spacings not shown in the chart: Multiply the distance between tree rows by the spacing between trees within the row and divide into 43,560. Refer to the LAM for additional information on how to calculate the number of trees per acre.

Formula: 43,560 sq. ft. per acre ÷ tree spacing (L x W) = Number of trees per acre

Example: Tree row spacing 25.0 feet and tree spacing within rows 25.0 feet.

$$\frac{43{,}560 \text{ sq. ft.}}{25.0 \text{ ft.} \times 25.0 \text{ ft.}} = \frac{43{,}560 \text{ sq. ft.}}{625 \text{ sq. ft.}} = 69.7 = 70 \text{ trees per acre.}$$

Table B – Minimum Sample Requirements for Native Blocks

Block Size (acres)		No. Plots	Distance Between Plots		Distance Between Lines	
Lower	Upper		Chains	Feet	Chains	Feet
5	10	3	4	264	4	264
10.1	15	4	5	330	5	330
15.1	20	6	5	330	5	330
20.1	30	7	5	330	5	330
30.1	40	10	5	330	6	396
40.1	50	12	5	330	6	396
50.1	75	13	6	396	6	396
75.1	100	18	6	396	7	462
100.1	150	21	6	396	8	528
150.1	200	27	7	462	8	528
200.1	250	30	8	528	8	528
250.1	300	31	9	594	9	594
300.1	400	31	9	594	10	660
400.1	500	34	10	660	11	726
500.1	600	34	12	792	12	792
600.1	700	35	13	858	13	858
700.1	800	35	14	924	14	924
800.1	900	36	14	924	15	990
900.1	1000	37	15	990	16	1056
1000.1	5000	41	15	990	16	1056

Sources (formulas): Henning and Mercker (2009); Strimbu and Holley

Plot Sampling – Native Orchards – No Distinguishable Planting Pattern

Plot sampling is to be conducted in three-quarter acre circular plots along parallel lines throughout the block, referred to as line-plot sampling. For all plots less than 5 acres, count and stage all trees within the block. The loss adjuster/inspector may also count and stage all trees within block greater than 5 acres whenever practical to do so.

Necessary Supplies:

Item	Use
Handheld compass	Navigate line plots.
Handheld GPS	Measuring of block acreage. Recording plot center coordinates (GPS).
Measuring wheel	Measuring block acreage (instead of using GPS). Measuring between plots and between lines (unless the pacing method is selected).
Diameter tape measure	Measuring tree diameter at DBH for staging purposes (capable of measuring at least 30" diameter trees). Tapes designed to determine the diameter of the tree based on the circumference are available eliminating the diameter formula calculation (see the formula in Exhibit 8).
Tape measure (large area)	Measure plot radii and determine if a tree is in the plot (≥150 foot model).
Clipboard, pens or pencils, and Sample Plot Worksheets	Recording tree count and staging data.
Calculator	Various calculations.
Chalk, flagging tape, paint, etc.	Marking trees once sampled.

Preparation

It is important to be familiar and comfortable with compass navigation. It is essential to be able to wheel measure (or pace) in a straight line and perform 90° turns using a compass.

The distances between plots and between lines are determined by pacing (chains) or by the use of a measuring wheel (feet). Distances are provided in both chains and feet in Exhibit 6, Table B. The pacing method is preferable under rough orchard floor conditions (e.g. grass, limb debris, etc.).

If the pacing method is to be used, it is necessary to practice pacing off a chain (s) prior to conducting line-plot sampling. A chain is a common agricultural acreage measurement equivalent to 66 feet. To practice, measure a straight path equal to a known number of chains. Pace this path to determine how many paces are required per chain. A pace is not equivalent to one step, but is rather the average of two steps. In other words, a pace is counted each time the same foot hits the ground. A natural walking gait is recommended because it will be more accurate and reliable than trying to an artificially maintain a step length such as 3 feet. Periodic measured checks throughout the sampling process are recommended to maintain accuracy.

Plot Sampling – Native Orchards – No Distinguishable Planting Pattern (Continued)

Acreage Measurement

Block acreage measurements should be made using standard orchard acreage measurement methods such as acreage measuring wheel or handheld GPS. Acreage is measured at the drip line of perimeter trees. Large vacant areas within the block should be excluded from the acreage calculation, but must also be skipped during the sampling process.

Plot Layout

The number of three-quarter acre plots to be sampled and plot spacing are determined using Exhibit 6, Table B and is based upon the block acreage. There are two options for measuring between plots and between lines, pacing (chains) or measuring wheel (feet). A measuring wheel (feet) may be used to measure between plots and between lines when orchard floor conditions allow. Grass, limb debris, etc. may make the use of a measuring wheel impractical. Under rough conditions, pacing is preferable. Refer to the Preparation section of this exhibit for information on pacing.

Use aerial maps, satellite imagery (i.e. using internet map sites) or other available maps showing an overview of the pecan orchard to determine the most efficient direction in which to establish plot lines. Begin the first line by selecting a convenient corner of the block as a starting point. From this starting point, pace two chains or measure 132 feet along the block perimeter perpendicular to the desired orientation for plot line establishment. Using a compass, turn 90° from this perimeter line toward the block. Use the compass to pace two chains or measure 132 feet into the block, and set the first plot center marker.

After sampling the first plot, proceed down the line in the same compass heading to the next plot using the "between plot" distance from Exhibit 6, Table B. Repeat plot sampling until reaching the block boundary. Turn 90° in the direction of the initial boundary track and pace or measure the "between line" distance from Exhibit 6, Table B to establish the beginning point of the next line. Turn 90° toward the block (a compass heading 180° from line previous line) and continue sampling. Plot spacing should be carried over from one plot line to the next as illustrated below.

For example, the between plot spacing is six chains and the last plot center on the first line is located two chains from the block boundary. The remaining four chains of plot spacing is measured once the subsequent line is established.

Repeat this process until the minimum number of plots have been located and sampled. Sampling should continue at the same plot spacing until the entire block has been sampled in situations where the minimum number of plots (from Exhibit 6, Table B) does not result in the entire the block being sampled. Plots should be established and sampled at each plot center regardless of tree count or terrain. Record the GPS coordinates of each plot center in the Sample Plot Worksheet (Exhibit 8).

Line-Plot Method Example
Sources: Henning and Mercker (2009); Strimbu and Holley

Plot Sampling

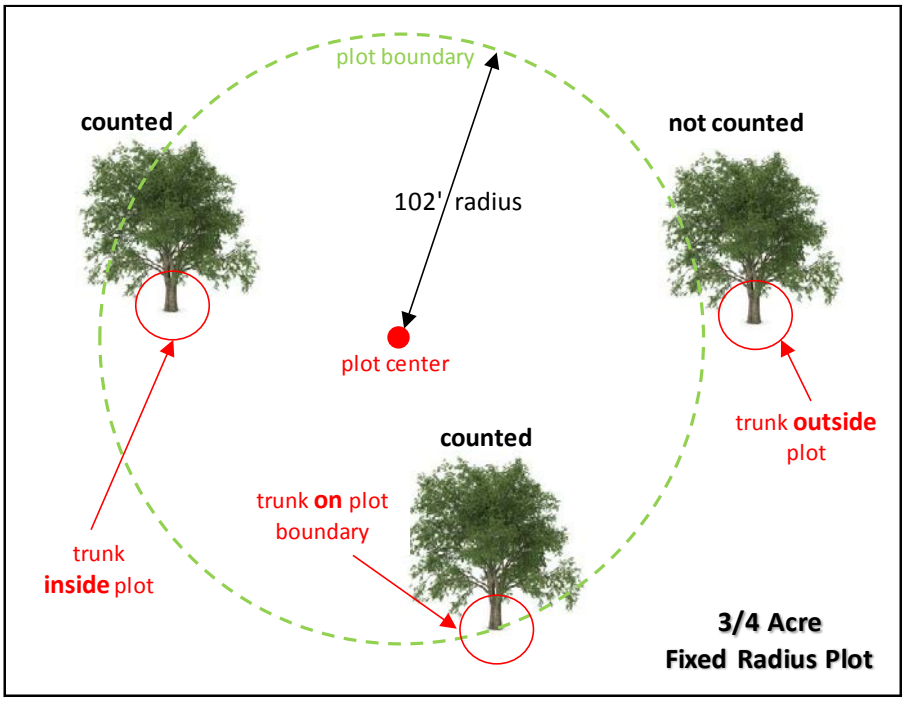
A fixed-radius plot is a circular plot created by the measured distance (radius) from the plot center. The radius of a three-quarter acre circular plot is 102 feet.

A tree will be considered to be "inside" the plot if its trunk is on or inside the plot boundary (plot radius). See the Fixed Radius Plot Illustration below. It is unnecessary to measure the distance from the plot center to the trunk of every tree. A measurement is only required for trees near the plot boundary. For each tree within a plot, perform the following:

Plot Sampling – Native Orchards – No Distinguishable Planting Pattern (Continued)

(1) Count all trees and record on the Sample Plot Worksheet (Exhibit 8).

(2) Measure the trunk of each tree for staging purposes in accordance with Section 24(A) and record in the Sample Plot Worksheet.



Fixed Radius Plot Illustration
Sources: Henning and Mercker (2009); Strimbu and Holley

Mirage Method
Use of the line-plot method can result in a plot center positioned near the block boundary. In such cases, the fixed radius plot may encompass areas outside of the block. The mirage method should be used to handle these situations. The mirage method is preferable to shifting the plot center so that the entire plot is established within the block.

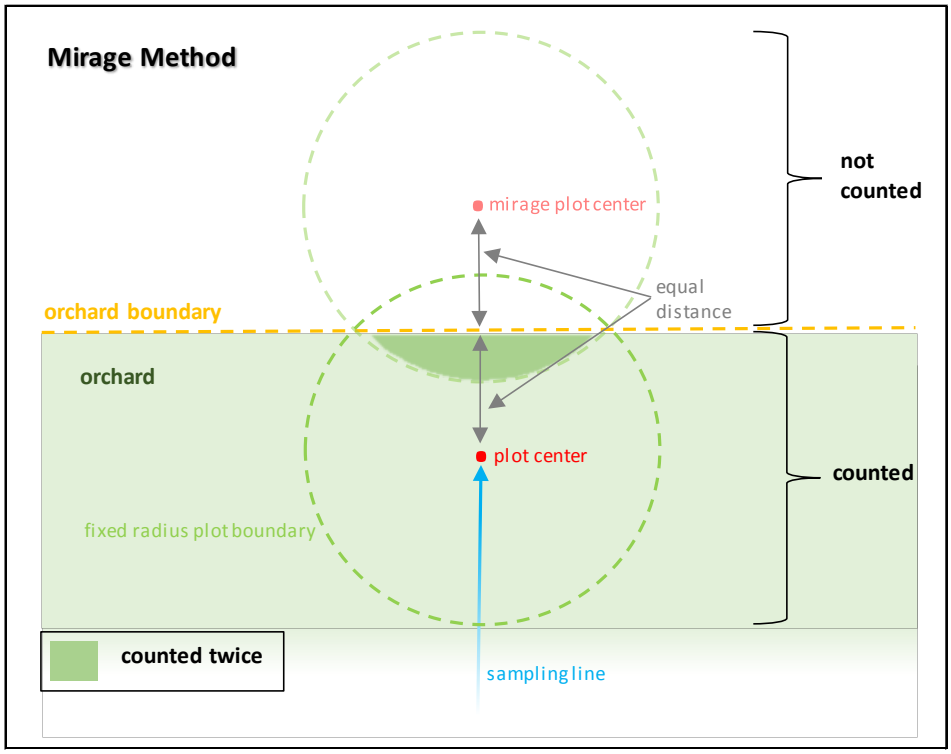
Implement the mirage method when necessary, using the following steps:

(1) Establish the three-quarter acre fixed radius plot based on the location of the plot center.
(2) Count and stage all trees within the portion of the plot located within the block boundary. Do not count any trees located outside of the block boundary (e.g. separate block, different ownership, etc.) even if located within the plot.
(3) Measure the distance from the plot center to the block boundary along a continuation of the line-plot line.
(4) Then, continuing along the same line, measure from the block boundary outward the distance determined in step 3. This point is the mirage plot center.

Plot Sampling – Native Orchards – No Distinguishable Planting Pattern (Continued)

(5) From the mirage plot center, establish a three-quarter acre (mirage) plot.
(6) Count and stage all trees that are in the area of overlap between the step 1 and step 5 plots that are inside the block boundary. Trees in this area will have already been counted in step 2 and should be counted again in this step.

The mirage method is illustrated below.



Mirage Method Illustration
Source: Bell and Dilworth (2002)

References

Bell, John F. and J.R. Dilworth. 2002. "Log Scaling and Timber Cruising." Oregon State University Press.

Henning, Jason G. and David C. Mercker. 2009. "Conducting a Simple Timber Inventory." The University of Tennessee Agricultural Extension Service. PB1780.

Strimbu, Bogdan M. and A. Gordon Holley. "Forest Measurements Field Manual." Louisiana Tech University School of Forestry.

Form Standards - Sample Plot Worksheet for Native Orchards

Verify and/or make the following entries for each Sample Plot Worksheet element/item number. A completed Sample Plot Worksheet example is at the end of this exhibit. The unit/block designations, number of trees, and stages determined on this worksheet are used to complete the PAIR (PCT) as required by this handbook and to verify information contained on the insured's PAW (PCT), to prepare a revised PAW (PCT) when number of trees or stages change from year to year or to correct discrepancies discovered during an inspection (conducted for an appraisal or other purposes).

If a discrepancy in the unit/block designations, tree number, or stages is identified during an inspection, the Sample Plot Worksheet and instructions contained this exhibit will be used to correct unit/block discrepancies and make any applicable revisions on the PAIR (PCT) and PAW (PCT); and to complete the applicable unit/block entries on the Appraisal and Production Worksheets if a claim is filed. Any acreage report revisions will be made as provided in approved procedures in accordance with AIP instructions. (For SDT determinations associated with a claim, follow the instructions contained the Exhibit 8 of the PCT LASH.)

Complete the Sample Plot Worksheet and continuation sheet in the following order:

(1) Part I – Sample Plot Worksheet Heading
(2) Part II – Plot Sampling
(3) Part III – Calculations

Part I – Sample Plot Worksheet Heading

Verify or make the following entries:

Element/Item Number	Description
Company	Name of AIP, if not preprinted on the worksheet (Company Name).
Claim Number	MAKE NO ENTRY (unless completion of the worksheet is required for loss adjustment purposes – see the PCT LASH, Exhibit 8).
1. Name of Insured	Name of insured that identifies EXACTLY the person (legal entity) to whom the policy is issued.
2. Policy Number	Insured's assigned policy number.
3. State	Name of the state in which the trees are insured.
4. County	Name of the county in which the trees are insured.
5. Crop/Type	Four-digit crop code number and three-digit type code number, as applicable, entered exactly as specified on the AD for the crop.
6. Crop Year	Crop year, as defined in the policy (e.g. YYYY).
7. Unit Number	Eight-digit unit number from the Summary of Coverage after it is verified to be correct (e.g. 00010000BU).
8. Block Number	A block of native pecan trees will be that acreage sharing a common boundary without regard to any planting pattern. Enter the block number to the third decimal place (e.g. 001). Enter the block number as identified on a Grove Identification Map and an aerial photo(s) (e.g. FSA) or satellite imagery (e.g. GPS, Google).

Form Standards - Sample Plot Worksheet for Native Orchards (Continued)

Part II – Plot Sampling

Verify or make the following entries:

Element/Item Number	Description
9. Measured Acreage	Enter the acres, rounded to the nearest tenth, determined by measuring the block perimeter with either an acreage measuring wheel or handheld GPS unit.
10. Number of Plots	Using the measured acreage from item 9, determine the number of plots to sample by referring to Exhibit 6, Table B.
11. Distance Between Plots	Using the measured acreage from item 9, determine the distance between plots by referring to Exhibit 6, Table B. Indicate the unit of measure (feet or chains) to be used for sampling. The same unit of measure must be used for both between plot and between line spacing.
12. Distance Between Lines	Using the measured acreage from item 9, determine the distance between lines by referring to Exhibit 6, Table B. Indicate the unit of measure (feet or chains) to be used for sampling. The same unit of measure must be used for both between plot and between line spacing.
13. Tree Diameter	Enter, in inches, the trunk diameter of each tree sampled measured at 4.5 feet [diameter at breast height (DBH)] to the nearest tenth (do not round if the diameter is 6.01-.05, 10.01-.05, 15.01-.05, or 20.01-.05). If a diameter tape is not used or available, the formula for converting circumference to diameter is: $C = \pi \times d$ 35.7 inches = 3.14 × d 35.7 inches ÷ 3.14 = d d = 35.7 inches ÷ 3.14 d = 11.4 inches
14. Stage	The stage (I-V) of each tree sampled based on the diameter measurement from item 13.
15. Plot Number	Assign a reference number to each plot sampled.
16. Plot Latitude °N	Record the plot center latitude of each plot sampled using a handheld GPS unit.
17. Plot Longitude °W	Record the plot center longitude of each plot sampled using a handheld GPS unit.

Part III – Calculations

Perform the following calculations:

Element/Item Number	Description
18. Total Trees/Stage	Sum all trees from item 14 for all plots for the SDT, by stage, sampled in Part II and enter on the applicable.

Form Standards - Sample Plot Worksheet for Native Orchards (Continued)

Element/Item Number	Description
19. Avg. No. of Trees/Acre/Stage	Divide the Total Trees/Stage for each stage from item 18 by the number of plots sampled. Divide this result by 0.75 to determine the Average Number of Trees/Acre/Stage and round to the nearest hundredth (0.01). $$\frac{(Total\ Trees/Stage\ \div Number\ of\ Plots)}{0.75}$$
20. Total Trees/Stage	Multiply the Average Number of Trees/Acre/Stage from item 19 by the number of measured acres in item 9 to determine the number of Total Trees/Stage and round to the nearest whole number. $$Avg.No.of\ Trees\ per\ Acre/Stage\ \times Measured\ Acreage$$
21. Total Trees/Stage/ SDT/ *(claims)*	MAKE NO ENTRY.
22. Total Trees/Block	Sum the Total Trees/Stage from item 20 for all stages to determine Total Trees/Block. (Dividing the item 20 entry for each stage by item 22 will be used to determine if the block qualifies as a stage-block (see Exhibit 2, stage-block definition). If not qualified for a stage-block, each separate stage for the block must be reported on the PAW (PCT). (See paragraph 24D.) Block entries in items 20 and 22 will be used to complete (and correct discrepancies, if applicable) the PAW (PCT), acreage report, PAIR (PCT), and applicable items on the Appraisal and Production Worksheets.

The following required entry is not illustrated on the Sample Plot Worksheet below.

Element/Item Number	Description
23. Adjuster's Signature, Code Number, and Date	Signature of adjuster, code number, and date signed.

Form Standards - Sample Plot Worksheet for Native Orchards (Continued)

COMPANY	ANY COMPANY	CLAIM NO.	

FOR ILLUSTRATION PURPOSES ONLY
NATIVE PECAN TREE SAMPLE PLOT WORKSHEET

PART I	
1 NAME OF INSURED	I.M. INSURED
2 POLICY NUMBER	XXXXXXXX
3 STATE	ANY STATE
4 COUNTY	ANY COUNTY
5 CROP/TYPE	OXXX – XXX
6 CROP YEAR	YYYY
7 UNIT NUMBER	0010000BU
8 BLOCK NUMBER	001

PART III

STAGE	18 TOTAL TREES/STAGE	19 AVG. NO. OF TREES/ACRE/ STAGE	20 TOTAL TREES/STAGE	21 TOTAL TREES/STAGE/ SDT *(claims)*	22 TOTAL TREES/BLOCK
I	0				187
II	0				
III	1	0.33	5		
IV	5	1.67	24		
V	33	8.25	157		

PART II **Stages (trunk diameter): Stage I – ≤ 6 inches; Stage II – 6.01-10.0 inches; Stage III – 10.01-15.0 inches; Stage IV – 15.01-20.0 inches; Stage V – > 20.0**

9 Measured Acreage:	14.4	10 Number of Plots:	4
11 Distance Between Plots:	5 chains	12 Distance Between Lines:	5 chains

Tree Number	Tree Diameter	Stage	Plot Number	Plot Latitude °N	Plot Longitude °W	Tree Number	Tree Diameter	Stage	Plot Number	Plot Latitude °N	Plot Longitude °W	Tree Number	Tree Diameter	Stage	Plot Number	Plot Latitude °N	Plot Longitude °W	Tree Number	Tree Diameter	Stage	Plot Number	Plot Latitude °N	Plot Longitude °W
	13	14	15	16	17		13	14	15	16	17		13	14	15	16	17		13	14	15	16	17
1	34.9	V	1	XX° XX.XXX’	XX° XX.XXX’	21	30.5	V				41						61					
2	29.4	V				22	32.1	V				42						62					
3	18.1	IV				23	34.1	V				43						63					
4	20.3	V				24	31.3	V				44						64					
5	29.0	V				25	41.8	V	3	XX° XX.XXX’	XX° XX.XXX’	45						65					
6	28.5	V				26	31.0	V				46						66					
7	26.8	V				27	27.0	V				47						67					
8	27.0	V				28	33.2	V				48						68					
9	12.5	III				29	24.6	V				49						69					
10	24.5	V				30	23.9	V				50						70					
11	19.0	IV				31	33.5	V				51						71					
12	20.2	V				32	47.3	V				52						72					
13	33.2	V				33	20.3	V				53						73					
14	18.9	IV				34	30.8	V	4	XX° XX.XXX’	XX° XX.XXX’	54						74					
15	25.1	V				35	24.3	V				55						75					
16	19.6	IV				36	25.2	V				56						76					
17	20.8	V				37	36.8	V				57						77					
18	19.5	IV				38	31.3	V				58						78					
19	22.8	V	2	XX° XX.XXX’	XX° XX.XXX’	39	37.1	V				59						79					
20	28.4	V				40						60						80					

Pg. _1_ of _2_ Pgs

(For Illustration Purposes Only) This form example does not illustrate all required entry items (e.g. signatures, etc.). See DSSH for applicable statements.

Form Standards - Sample Plot Continuation Worksheet for Native Orchards (Continued)

1 NAME OF INSURED	2 POLICY NUMBER	3 STATE	4 COUNTY
5 CROP/TYPE	6 CROP YEAR	7 UNIT NUMBER	8 BLOCK NUMBER
9 FOR LOSS APPRAISAL ☐ YES ☐ NO			

9 Measured Acreage:												10 Number of Plots:											
11 Distance Between Plots:												12 Distance Between Lines:											
Tree Number	Tree Diameter	Stage	Plot Number	Plot Latitude °N	Plot Longitude °W	Tree Number	Tree Diameter	Stage	Plot Number	Plot Latitude °N	Plot Longitude °W	Tree Number	Tree Diameter	Stage	Plot Number	Plot Latitude °N	Plot Longitude °W	Tree Number	Tree Diameter	Stage	Plot Number	Plot Latitude °N	Plot Longitude °W
	13	14	15	16	17		13	14	15	16	17		13	14	15	16	17		13	14	15	16	17
81						113						145						177					
82						114						146						178					
83						115						147						179					
84						116						148						180					
85						117						149						181					
86						118						150						182					
87						119						151						183					
88						120						152						184					
89						121						153						185					
90						122						154						186					
91						123						155						187					
92						124						156						188					
93						125						157						189					
94						126						158						190					
95						127						159						191					
96						128						160						192					
97						129						161						193					
98						130						162						194					
99						131						163						195					
100						132						164						196					
101						133						165						197					
102						134						166						198					
103						135						167						199					
104						136						168						200					
105						137						169						201					
106						138						170						202					
107						139						171						203					
108						140						172						204					
109						141						173						205					
110						142						174						206					

(For Illustration Purposes Only) This form example does not illustrate all required entry items (e.g. signatures, etc.). See DSSH for applicable statements.

Average Revenue Value and Maximum and Minimum Actual CTV Reference Prices Examples

Average Revenue Value Calculation Example

SUMMARY OF REVENUE HISTORY

CROP YEAR(s):	INSURED'S NAME & ADDRESS:	AGENCY OR SERVICING OFFICE:
2019	I. M. Insured PHONE: XXX-XXX-XXXX	Any Agency PHONE: XXX-XXX-XXXX AGENT CODE : XXXX
CONTRACT NUMBER: XXXXX	OTHER PERSON:	INSURANCE PROVIDER: Any Company PHONE: XXX-XXX-XXXX COMPANY CODE: XX

~~UNIT NUMBER:~~ STAGE(S) AND TYPE OF TREES	FSA FN:	LEGAL DESCRIPTION: SECTION TOWNSHIP RANGE	PRACTICE:
II, III, and V – Group I			

INSURABLE or UNINSURABLE	NUMBER OF TREES:	COUNTY: Any County	STATE: Any State	PRE-ACCEPTANCE PERENNIAL CROP INSPECTION REPORT DATE:

YEAR 1	~~NET ACRES~~ NO. OF TREES 2	POUNDS PRODUCTION 3	GROSS SALES 4	AVERAGE GROSS SALES PER TREE 5	PRE-HARVEST APPRAISAL 6
2017	1000	86,591	95,250	95.25	
2016	1000	105,815	142,850	142.85	
2015	1000	135,950	135,950	130.95	
2014	1000	73966	110,950	110.95	

	7. TOTAL NUMBER OF YEARS	8. TOTAL AVERAGE GROSS SALES PER ~~ACRE~~ TREE	9. ~~APPROVED~~ AVERAGE REVENUE VALUE[1] ~~PER ACRE~~
	4	480.00	See Calculation Sheet

[1]The Average Revenue Value would be entered in item 9 if the orchard contained a single stage. If there is more than one stage of insurable trees, the Average Revenue Value for each stage will be calculated as shown in Average Revenue Value Calculation Example contained in this exhibit.

Average Revenue Value and Maximum and Minimum Actual CTV Reference Prices Examples (Continued)

Average Revenue Value Calculation Example – For orchards containing more than one tree stage

The pecan orchard contains 1000 insurable improved variety trees consisting of stage II, III, and V trees. The insured provides the most recent four years of acceptable sales records.

The average gross sales per tree are:

Crop Year	
2017	$95.25
2016	$142.85
2015	$130.95
2014	$110.95
Avg. Gross Sales	$120.00

Using the factor table contained in the CTVE:

Stage	II	III	IV	V
Stage Factor	.433	.888	1.039	1.385

The average revenue value for each stage is:

Stage II: $120.00 × .433 (stage factor) = $51.96
Stage III: $120.00 × .888 (stage factor) = $106.56
Stage V: $120.00 × 1.689 (stage factor) = $202.68

The reference revenue value for each stage is:

Stage II: $34.10
Stage III: $79.43
Stage V: $232.46

Maximum and Minimum Actual CTV Reference Price Calculation Example – For orchards containing single or multiple stages

Preliminary maximum actual CTV reference price =
Stage II = $259 = {($51.96 ÷ $34.10) × ($102 ÷ 0.60)}
Stage III = $474 = {($106.56 ÷ $79.43) × ($212 ÷ 0.60)}
Stage V = $684 = {(202.68 ÷ $232.46) × ($471 ÷ 0.60)}

Maximum actual CTV reference Price =
Stage II = $187 {the lesser of the preliminary price $259 or $187 ($102 × 1.833)}
Stage III = $389 {the lesser of the preliminary price $474 or $389 ($212 × 1.833)}
Stage V = $684 {the lesser of the preliminary price $684 or $863 ($471 × 1.833)}

Preliminary minimum actual CTV reference price =
Stage II = $198 ($51.96 ÷ $34.10) × ($78 ÷ 0.60)}
Stage III = $396 ($106.56 ÷ $79.43) × ($177 ÷ 0.60)}
Stage V = $661 ($202.68 ÷ $232.46) × ($455 ÷ 0.60)}

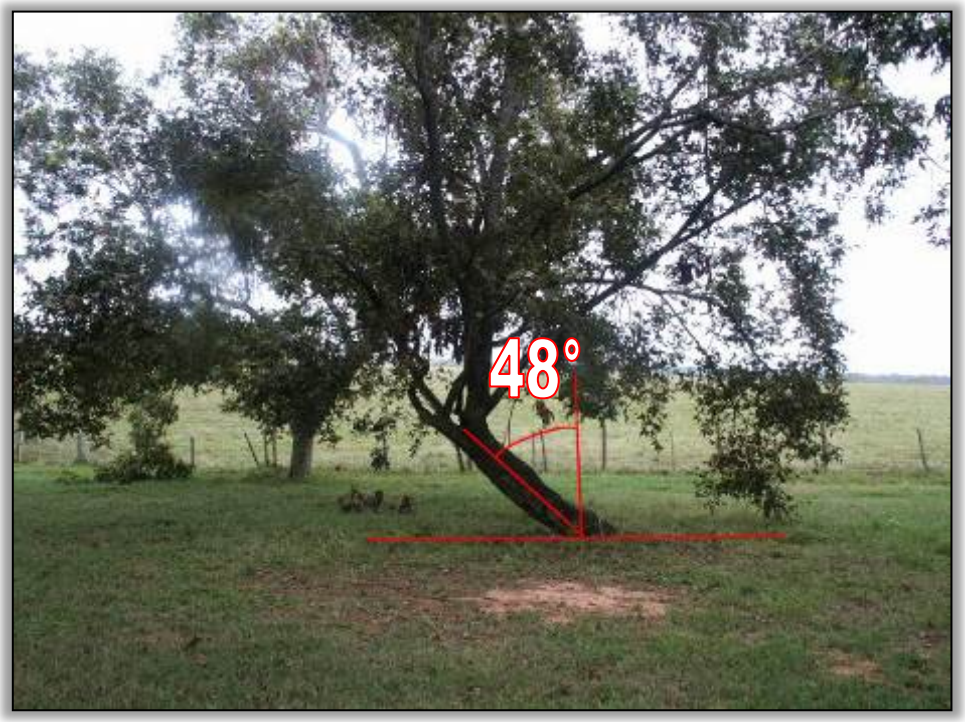
Minimum actual CTV reference price =
Stage II = $143 {the lesser of the preliminary price $198 or $143 ($78 × 1.833)}
Stage III = $324 {the lesser of the preliminary price $396 or $324 ($177 × 1.833)}
Stage V = $661 {the lesser of the preliminary price $661 or $834 ($455 × 1.833)}

Reference Pictures

The following reference pictures represent examples of pecan trees under various conditions. The pictures and subtitles of each picture are intended to provide a general description of these conditions and an estimate of the degree of leaning, as applicable. Actual tree and damage conditions could be different than the conditions represented by pictures contained in this exhibit.

Picture 1: Leaning tree at approximately 24 degrees (courtesy of Dr. Bill Goff)

Picture 2: Leaning tree at approximately 37 degrees (courtesy of Producers Higbee, Underwood, Buck, and Dr. Bill Goff)



Picture 3: Leaning tree at approximately 48 degrees (Higbee et al.)

Picture 4: Uprooted (toppled) tree (courtesy of Dr. Bill Goff)

Picture 5: Reset tree (Higbee et al.)

Picture 6: Grafted low and planted too deep (Goff)

Picture 7: Grafted high and planted at the proper depth – well developed, wind resistant brace roots with the graft union 3 feet above ground level (Goff)

Picture 8: Grafted high and planted at the proper depth – brace roots are less developed and only moderately resistant to wind damage (Goff)

Reference Pictures (Continued)

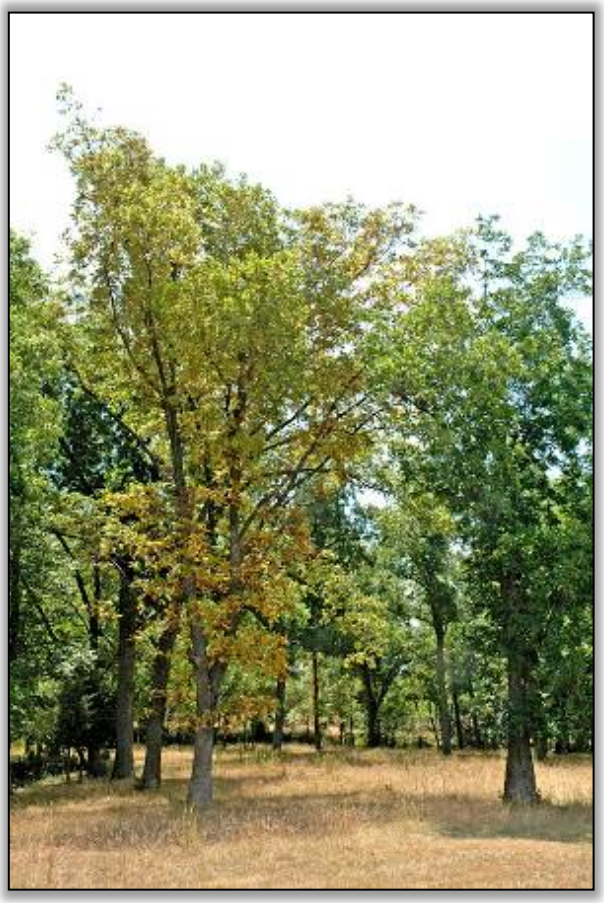
Picture 9: Tree planted at the proper depth with developed brace roots – damaged canopy vs. uprooted tree (Goff)

Picture 10: Drought death (courtesy of Monte Nesbitt)

Picture 11: Drought death (Nesbitt)

Picture 12: Drought Damage - Die-back (AgriLogic)

Picture 13: Drought Damage - Die-back (AgriLogic)



Pictures 14 & 15: Drought stress (courtesy of Dr. William Reid, *Northern Pecans*)

Pictures 16: Drought stress (Reid)

Reference Pictures (Continued)

Picture 17: Tree planted in a wet area – poor root system (Goff)

Pecan Tree Insurance Program
(bracketed text indicates revision)

Question: Is there a basis for a producer electing the enterprise unit as there appears no benefit for this election over the basic unit?

Response: There is currently no advantage for the producer to elect enterprise units. This option was included as part of the Pecan Tree program to facilitate offering discounted enterprise unit rates. In the future, discounted rates, if approved by RMA, may be provided under the standing authority contained in the Crop Provisions and actuarial documents.

Question: Is there a separate certification for resetting trees under the CTVE?

Response: Currently, certification forms are provided for the base policy for Groups 1-3, seedling, and native trees. The PCT Certification form is used to confirm removal/replacement, reset, and rehabilitation actions of producers. A separate PCT Set Out Certification form is provided for native trees. A certification form for set out (or for other purposes) under the CTVE has not been developed. However, to the extent that an indemnity must be paid under the base policy to qualify for an indemnity under the CTVE, there is an indirect linkage to the base policy certification forms and requirements. In other words, if an indemnity is paid under the base policy, even though reduced for the insured's failure to remove/replace, rehabilitate, or reset all destroyed and fully damaged trees, the insured would qualify for an indemnity under the CTVE, [in accordance with the CTVE instructions contained in the Production Worksheet instructions of the LASH and] the requirement to set out (transplant) perennial trees somewhere in the state within the 4-year period.

[The PCT Certification form is used to establish the applicable damage percents under the base policy and the CTVE and a separate certification for set out (for destroyed trees) and reset or rehabilitation (for fully damaged trees) is not required for the CTVE.] The purpose of the dual stage CTVE payment for destroyed trees and its related set out requirement within the 4-year period is to avoid speculation and limit perceived program abuse.

Question: A producer has 3 separate orchards, 2 are leased, 1 is owned. I do not have written leases or evidence of a lease though I have 100% interest in the other 2 orchards.

Response: A lease must be available, on file, and contain the elements specified in the Crop Provisions in order for the producer to be eligible for insurance coverage under the Pecan Tree program. The lease requirement applies to both the base policy (lease term not specified) and the CTVE (5-year lease).

The document could be a simple statement prepared by the producer and landowner (with the assistance of the agent if requested) and dated and signed by both. The AIP may choose to create a standard form for this purpose if one is not already available.

Questions and Answers (Continued)

Question: Is the crop year for insurance purposes the 2018 crop year and for reinsurance purposes, the 2017 reinsurance year? The same as FL Citrus?

Response: The answer is yes to each of these questions.

Question: You stated that a producer may get an up-front payment for debris removal and restoration [for native trees], however, producer must submit a completed PCT Certification form prior to finalizing the claim and according to section 13(h), trees which are not removed/replaced or rehabilitated/reset, as applicable, are not considered in the % damage calculation. Does this mean that the producer must do all the requirement replacements and rehabs before being paid an indemnity?

Response: Note: Replacement for purposes of section 13(h) relates to removal (removing the entire tree) or replacement (setting a tree by the stump).

Yes. It is important to remember for native trees, the indemnity is paid in two parts. The first part is paid when the claim for the loss event is completed for the native trees and the indemnity amount for removal/replacement, rehabilitation, and reset can be determined. It is for these actions (removal/replacement, rehabilitation) plus reset that the PCT Certification form applies.

The second part of the indemnity is paid when set out (actually transplanting a tree) is carried out. The set out requirement only applies to native trees. The PCT Set Out Certification form for native trees is used to confirm set out and its level.

Example 1: The preliminary percent of damage is determined to be 50%. However, the producer does not carry out any rehabilitation, reset, or removal/replacement actions. In this case, the percent of damage under 13(h) (1) and (2) would be reduced to zero and no 1st phase indemnity would be due. Similarly, if the producer did not [remove/replace any of the destroyed native trees and **set out** any trees,] the 2nd phase indemnity due under 13(i) would be zero [set out is the determining factor for the 2nd phase indemnity.]

Example 2: The total indemnity for the damage event is $3; $1 for fully and partially damaged trees and $2 dollars for destroyed trees. Suppose the insured conducts all removal/replacement, reset, or rehabilitation actions necessary and provides the applicable PCT Certification form. A partial indemnity of $1.40 [($1 + $0.40 ($0.40 = $2 X .20 removal/replacement cost factor)] would be paid in accordance with standard payment practice following certification. Subsequently, the producer sets out replacements for all destroyed trees within the prescribed time limits, provides the applicable PCT Set Out Certification form, after which the remaining $1.60 indemnity would be paid. If the producer only sets out replacements for part of the destroyed trees, the indemnity for destroyed native trees would be reduced proportionately.

Questions and Answers (Continued)

Question: Wind damage due to tornado or hurricane is a covered cause of loss. Does this mean that wind damage due to a tropical storm or a hurricane that has been downgraded to tropical storm when it reaches the orchard location is not covered? What about damage from intense localized thunderstorms?

Response: Wind is the covered peril. Tornados and hurricanes are examples of events that can produce damaging wind. Straight-line winds and micro-bursts that topple or lean trees or that damage the canopy of the tree are also examples of wind damage that would be covered.

Question: If the producer leases an orchard and the owner requires the tenant to maintain the orchard but does not allow the tenant to be entitled to indemnities under the tree policy, may the owner take out a tree policy with 100% share? In other words, may the orchard owner rent out an orchard to tenant to have 100% share in the nut production but the owner maintains 100% share in the trees?

Response: The answer to the "In other words…." question is "Yes".

Question: As the owner of a grove that rents to a tenant. Can I insure the trees and the tenant the nuts?

Response: Yes.

Question: Do I have to be the owner operator of the grove to insure the trees?

Response: No, refer to the definition of share contained in the Crop Provisions.

Question: What if I own the trees [grove] and lease the grove to a tenant that farms the nuts, can I insure the trees and he insured the nuts even though I don't have any share in the nut production? What's the thought on this scenario since I own the trees?

Response: Yes, the owner can insure the trees while the tenant insures the nuts. The trees and the nuts are two separate insurable crops that are insurable under separate insurance programs with separate and distinct insurable shares.

Question: If I elect the CTVE and I have destroyed trees under the base policy, and I choose not to do anything to them (remove/replace), rehab them [rehab doesn't apply as the trees are described as destroyed], can I still qualify for the 1st 50% of the indemnity under CTVE?

Response: No. To be eligible for an indemnity under the CTVE, an indemnity must be established under the base policy. Per the CTVE, item 11(a), "If no indemnity is due under such policy [for the unit], no indemnity will be due under this endorsement [for the same unit]."

Questions and Answers (Continued)

Question: Two producers with two separately owned orchards are individually insured under the tree program [**(not a native orchard)**, each containing 10,000 trees]. Both producers incur damage [and 5,000 trees in each orchard are destroyed]. Producer A sets out trees to replace destroyed trees in the Producer B's orchard [but does not remove/replace or set out any trees in his orchard]. Would both producers qualify for separate indemnities, whether under the base policy of CTVE

Response: Only one indemnity could be paid to the producer with the insured share in the orchard in which the removal/replacement actions were taken, regardless of who actually set out the trees; in this case, producer B would be entitled to the indemnity. [It is reasonable to conclude that Producer A would be compensated by Producer B for any costs incurred.]

Question: Please clarify the use of 75% "must" and "may" stage block statements. If 75% or more of the trees in a block are in one stage, is the producer required to report the block as 100% of the predominate stage?

Response: Section 6(a) says you must report by stage-block. Therefore, a stage-block must be determined, even if a block [meets] the 75 percent requirement for all the trees to be considered the same stage. If a block does not qualify for a stage-block based on the 75 percent rule, then the block must be broken down into stage-blocks that only contain one stage (see example 3 on page 10 of the Pecan Tree CISH).

Question: How many practices are permitted per block? How are they reported on the acreage report and what line is used?

Response: There is not a limit to the number of practices permitted per block. Practice is reported in field 13 on the P11.

Question: Are the minimum acre requirements in "tree acres" or actual "land acres"?

Response: Land acres.

Question: There is a minimum number of trees per acre listed in the SP. If the minimum number of acres is reached, does additional acreage in the block become uninsurable if the additional acreage does not contain the minimum number of trees per acre?

Response: Yes. Acreage that does not contain the minimum number of trees per acre is not insurable.

Question: How will the minimum number of trees per acre be determined when there are mixed stages within the acreage?

Response: This is addressed in the Special Provisions. The SP states, "If the block contains more than one stage, the minimum number trees for the block will be a weighted average of the minimum tree number shown in the table for each stage (rounded to the nearest whole tree). For example, the block contains 1,000 native trees: 600 stage III trees (60%); 300 stage IV trees (30%); and 100 stage V trees (10%). The minimum number of trees/acre for the block is 9 [(10 x .60) + (7 x .30) + (4 x .10) = 8.5]."

Question: Are written agreements allowed for this policy?

Response: No. Written agreements are not allowed for products developed under section 508(h) of the Federal Crop Insurance Act unless explicitly approved by the FCIC Board of Directors because they would circumvent the Board's authority to determine where a program is available.

Question: Does insurance attach on July 1, even if the AIP has not inspected the acreage and accepted the application?

Response: Yes. However, for the first year of insurance, an inspection is required per procedure. The AIP is obligated to follow FCIC procedure in accordance with the SRA.

Question: If a producer elects RM2 at application and trees are uprooted due to an insured cause of loss to the extent that they require removal, what RM will be used to calculate the indemnity due?

Response: RM2

Question: The Pecan Tree crop insurance handbook requires the AIP to perform a PAIR for all new applications. In this first year, there is a potential for more applications than the AIP can timely inspect, will KC issue an extension for completing PAIRs or guidance for completing them over a period of 2 or 3 years?

Response: No. RMA does not have plans to issue any such extension.

Question: If the AIP has completed an inspection of an orchard for the 2017 CY under the Pecan Revenue policy, must a new inspection be completed for the 2018 CY Pecan Tree policy?

Response: Yes. These are different policies with separate inspection requirements.

Question: Does a producer leasing land with trees have to show a renewed lease yearly [under the CTVE] even if in possession of a lease for a period of time longer than 5 years?

Response: The lease must be effective for at least five years beyond the current crop year. The period of time the insured has been in possession of the lease does not matter. An annual lease would not meet this requirement.

Question: Does CTVE fall under the same stage reporting rules as the policy (75 % or greater)?

Response: Yes. Section 7(d) of the CTVE says you must report the actual CTVE prices by stage block.

Question: How are stage I trees handled under CTVE if they are in acreage that is reported under another stage for the base policy? For example, there are 80% stage V trees and 20% stage I trees in the acreage that is insured as 100% stage V under the base policy; Are the 20% stage I trees insurable under CTVE as stage V trees? Must the stages be separated for coverage under CTVE endorsements if they are reported as one stage under the 75% rule for the base policy?

Response: If stage I trees are reported as stage II though V under the stage-block rule then they are insurable under the CTVE as whatever stage the stage they are reported.

Question: Can the owner of an orchard have a Pecan Tree policy with CTVE and the tenant have a Pecan Revenue policy?

Response: Yes, but each producer can only insure their share regardless of which policy they insure under.

Question: Can a producer use another producer's records for the CTVE?

Response: The CTVE says in section 7 that, "Your CTV reference prices may be based on your actual records…"

Question: Can a producer have Pecan Revenue and the Pecan Tree Policy together?

Response: Yes

Question: Can a producer have the Pecan Tree Policy [with endorsement and the FSA TAP and NAP] together?

Response: RMA allows multiple benefits between Crop Insurance and TAP and NAP. [See Part 5 of this handbook for more information.]

Question: We need clarification as to which FSA/RMA products can, or cannot be bought together.

Response: Refer to section 806 of the General Standards Handbook [and this handbook] for more information on multiple benefits.

Question: Does a producer have to elect the RM 1 or RM 2 for all blocks on the policy, or can they separate the election by block?

Response: Only one restoration method may be selected for the insured crop.