United States
Department of
Agriculture

Federal Crop
Insurance
Corporation

Product
Administration
and Standards
Division

FCIC-25380 (10-2006)
FCIC-25380-1 (10-2008)

PRUNE LOSS ADJUSTMENT STANDARDS HANDBOOK

2009 and Succeeding Crop Years

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250

FEDERAL CROP INSURANCE HANDBOOK	**NUMBER: 25380 (10-2006)** **25380-1 (10-2008)**
SUBJECT: **PRUNE LOSS ADJUSTMENT STANDARDS HANDBOOK 2009 AND SUCCEEDING CROP YEARS**	**OPI: Product Administration and Standards Division**
	APPROVED: DATE: **/s/ Tim B. Witt 10/10/08** **Deputy Administrator, Product Management**

THIS HANDBOOK CONTAINS THE OFFICIAL FCIC-ISSUED LOSS ADJUSTMENT STANDARDS FOR THIS CROP FOR THE 2009 AND SUCCEEDING CROP YEARS. ALL REINSURED COMPANIES WILL UTILIZE THESE STANDARDS FOR BOTH LOSS ADJUSTMENT AND LOSS TRAINING.

SUMMARY OF CHANGES/CONTROL CHART

The following list contains significant changes to this handbook, as determined by us. It may not represent all changes made. All changes made for this handbook are applicable regardless of whether or not listed.

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

Changes for Crop Year 2009 (FCIC-25380-1) issued OCTOBER 2008:

A. Page 5, subsection 3 E (2): Revised harvest cost calculation procedures. AIPs will use the harvest cost per ton listed in the Special Provisions of Insurance (SPOI) to determine the value of harvested production. Added “drying” to the list of harvest costs.

B. Page 9, subsection 5 A: Deleted references to the Random Path Appraisal Method (RPAM). Revised Quadrant Fruit Count Appraisal Method information.

C. Page 10, subsection 5 B (2) (a): Deleted reference to RPAM.

D. Page 33, section 9: Revised **TABLE A** sample requirements.

PRUNE LOSS ADJUSTMENT STANDARDS HANDBOOK

SUMMARY OF CHANGES CONTROL CHART (Continued)

Control Chart for: Prune Loss Adjustment Standards Handbook						
	SC Page(s)	TC Page(s)	Text Page(s)	Reference Material	Date	Directive Number
Remove	1-2		5-6		10-2006	FCIC-25380
			9-10		10-2006	FCIC-25380
				33-34	10-2006	FCIC-25380
Insert	1-2		5-6		10-2008	FCIC-25380-1
			9-10		10-2008	FCIC-25380-1
				33-34	10-2008	FCIC-25380-1
Current	1-2				10-2008	FCIC-25380-1
Index		1-2	1-4		10-2006	FCIC-25380
			5-6		10-2008	FCIC-25380-1
			7-8		10-2006	FCIC-25380
			9-10		10-2008	FCIC-25380-1
			11-32		10-2006	FCIC-25380
				33-34	10-2008	FCIC-25380-1
				35-39	10-2006	FCIC-25380

(2) As stated in the Special Provisions, subtract the harvest cost per ton from the PBA price schedule for standard and substandard prunes of the same size count price (per ton) received by the insured to adjust for costs incurred for harvest, delivery, and drying. The cost adjustment for harvest, delivery, and drying shall not be deducted from the fruit's value when the insured does not incur such expense.

***

EXAMPLE:

The PBA price schedule for substandard prunes is $610.00 per ton. The PBA price for standard prunes is $1,200.00 per ton (of the same size count as substandard prunes). The SPOI harvest cost for prunes is $548.00 per ton.

Calculate the "value" of damaged harvested production that grades substandard as follows:

$610.00 PBA price per ton for substandard prunes - $548.00 SPOI harvest cost per ton = $62.00 value per ton for substandard prunes after the harvest cost deduction. Transfer the $62.00 value per ton to section II, column Q_1"Value" on the Production Worksheet.

Calculate the "market price" for standard grades prunes as follows:

$1,200.00 PBA price per ton for standard graded prunes - $548.00 SPOI harvest cost per ton = $652.00 value per ton for standard prunes after the harvest cost deduction. Transfer the $652.00 value per ton to section II. column Q_2 "Market Price" on the Production Worksheet.

Calculate the quality adjustment factor by dividing the "value" by the "market price" in accordance with Production Worksheet instructions, herein.

4. PRUNE APPRAISALS

A. GENERAL INFORMATION

(1) Potential production will be appraised in accordance with procedures in this handbook and the LAM.

(2) **Appraisal Requirements.** Refer to the LAM and subsection 5 A, herein, for information on when appraisals are required.

(3) **Notice of Damage.** The prune crop provisions require insureds to file a "notice of damage or loss" with the AIP in the following situations:

(a) At least 3 days prior to the date harvest should have started if the crop/variety will not be harvested.

(b) At least 15 days before any production from any unit will be sold by direct marketing or sold as fresh fruit. The AIP will conduct an appraisal that will be used to determine the insured's production to count for production that is sold by direct marketing or is sold as fresh fruit production. In the event of the insured's failure to give timely notice that production will be sold by direct marketing or sold as fresh fruit, apply an appraised amount of production to count of not less than the production guarantee per acre, if such failure results in the inability of the AIP to make the required appraisal.

(c) If the insured intends to claim an indemnity on any unit, notice must be given at least 15 days prior to the beginning of harvest, or immediately if damage is discovered during harvest so that the AIP may inspect the damaged production. The insured must not destroy the damaged crop until after the AIP has given the insured written consent to do so. If the insured fails to meet the requirements listed above and such failure results in the AIP's inability to inspect the damaged production, all such production will be considered undamaged and included as production to count.

(4) **Unit/Block Appraisals.** Make separate appraisals for each prune variety grown in the unit/block, as applicable.

B. TIMING OF APPRAISALS

(1) **Appraisal Dates.**

(a) AIP representatives will set appraisal dates.

(b) Whenever possible, appraise prunes after the "Reference Date" (refer to subsection 2 B, herein for "Reference Date" definition) issued by the RMA Regional Office and before prunes are removed from the trees or from the ground, as applicable.

(2) **Appraisal periods.** The appraisal periods for appraising prune damage are as follows:

(a) First-period Immature Appraisals - conduct appraisals from the "Reference Date" through the 15th day after the "Reference Date,"

(b) Second-period Immature Appraisals - conduct appraisals from the 16th day after the "Reference Date" until fruit maturity, and

(c) Mature Prune Appraisals - conduct appraisals on unharvested mature prunes and for production to be sold by direct marketing or sold as fresh fruit.

(a) **First-period Appraisals:** Complete Part 3 of the appraisal worksheet to calculate the average number of green prunes per pound. Refer to **TABLE D,** locate the applicable average number of green prunes per pound and the corresponding predicted dry prunes (count) per pound. Enter the average number of green prunes per pound in column 21 and predicted dry prunes per pound in columns 22 and 28 on the appraisal worksheet.

(b) **Second-period Appraisals:** Use the RMA Regional Office area/county average number of dry prunes per pound. Enter the average number of prunes per pound in column 28 of the appraisal worksheet.

(c) **Mature Prune Appraisals:** Harvest a sample of 140 pounds of prunes from all representative sample trees (i.e., one 140-pound sample per unit/block, as applicable). Take the prune sample to a local dehydrator and have them dried. Take the resulting dried prunes to a licensed grader for grading. Enter the actual number of dried prunes per pound (from the grading results) in column 28 of the appraisal worksheet.

(d) Use the applicable number of dry prunes per pound to complete appraisal worksheet calculations. Explain how the number of dry prunes per pound variable was determined in the "Remarks" section of the appraisal worksheet.

5. APPRAISAL METHODS

A. GENERAL INFORMATION

These instructions provide information for appraisal methods for:

	Appraisal Method...	**Use...**
***	Quadrant and Scaffold Limb Fruit Count Appraisals	for immature and mature appraisals. Quadrant fruit counts: Visually quarter a sample tree and count the fruit in a representative quadrant. Then, multiply the quadrant count by 4 to calculate the number of fruit on the sample tree. Scaffold Limb Fruit Counts: Visually count the fruit on one representative sample scaffold limb and multiply the fruit count on such scaffold limb by the total number of scaffold limbs on the sample tree to calculate the number of fruit on the sample tree.
***	Representative Tree Appraisals	the production harvested from the representative trees to determine the yield per acre.
	Harvested Acreage Appraisals	the average yield per acre from representative harvested acreage as the appraisal per acre for unharvested acreage.

B. UNHARVESTED PRODUCTION APPRAISALS

(1) **General Information.**

(a) Use **TABLE A** to determine the number of representative sample trees based on the number of insured acres.

(b) Select representative sample trees using the procedure in subsection 4 C, herein.

(c) Document the number of prunes per tree, number of prunes per pound, etc. in the applicable column of the appraisal worksheet.

(2) **First Period Immature Appraisals, Second Period Immature Appraisals, and Mature Appraisals.** (For steps (2) (a) through (e) below, steps with a specific identifier [e.g., first period appraisals, etc.] apply to that specific appraisal period only. Steps with no specific identifier apply to all three appraisal periods).

*** (a) Count the number of green prunes on each representative sample tree using the **Quadrant Fruit Count or Scaffold Limb Fruit Count Appraisal,** as applicable.

(b) Total the green prune counts from all sample trees and divide this amount by the number of sample trees to calculate the average number of green prunes per tree.

(c) **For first period immature appraisals only:**

1 From each sample tree, determine the number of green prunes required to equal one (1) pound. Total theses numbers from all sample trees and divide by the number of sample trees to calculate the average number of green prunes per pound.

2 Refer to **TABLE D** and under the column entitled "Reference Date Size (Green)" find the average number of green prunes per pound from item (c) 1 above. Under the column heading entitled "Predicted Harvest Size (Dry)," identify the corresponding dry weight. Enter this corresponding dry weight on the appraisal worksheet.

(d) To calculate the average number of green prunes per acre:

1 Multiply the average number of green prunes per tree times the survival conversion factor (refer to **TABLE E**, herein, for applicable factors) to determine the number of surviving green prune per tree,

2 Multiply the number of surviving green prunes per tree by the number of trees per acre to calculate the total surviving green prunes to count,

3 Divide the total surviving green prunes to count by the average number of dried prunes per pound (refer to section 4 G herein for instructions on how to calculate the average number of green prunes per pound) to determine the average number of dry prunes per acre.

9. REFERENCE MATERIAL

TABLE A - MINIMUM REPRESENTATIVE SAMPLE REQUIREMENTS

Number of Acres:	Select:
0.1 - 10.0	The lesser of 5 trees or 5% of the number of trees.
One additional tree is required for each additional 10.0 acres (or fraction thereof) in the orchard.	

TABLE B - AVERAGE PRUNE SIZE ON THE P-1 GRADE SHEET BY SCREEN SIZE*

Screen - Diameter	Typical Average Size Count	Typical Range of Average Size Counts on Each Screen
A - Overs	50	34 - 60
B - 30/32”	75	61 - 90
C - 26/32”	100	91 - 114
D - 24/32”	125	115 - 140 +

*The screen size is simply the prunes that fall through a given diameter hole.

TABLE C - NUMBER OF TREES PER ACRE

DISTANCE BETWEEN TREES (IN FEET)	DISTANCE BETWEEN ROWS (IN FEET)																										
	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35
10	436	396	363	335	311	290	272	256	242	229	218	207	198	189	182	174	168	161	156	150	145	141	136	132	128	124
11		360	330	305	283	264	248	233	220	208	198	189	180	172	165	158	152	147	141	137	132	128	124	120	116	113
12			303	279	259	242	227	214	202	191	182	173	165	158	151	145	140	134	130	125	121	117	113	110	107	104
13				258	239	223	209	197	186	176	168	160	152	146	140	134	129	124	120	116	112	108	105	102	99	96
14					222	207	194	183	173	164	156	148	141	135	130	124	120	115	111	107	104	100	97	94	92	89
15						194	182	171	161	153	145	138	132	126	121	116	112	108	104	100	97	94	91	88	85	83
16							170	160	151	143	136	130	124	118	113	109	105	101	97	94	91	88	85	83	80	78
17								151	142	135	128	122	116	111	107	102	99	95	92	88	85	83	80	78	75	73
18									134	127	121	115	110	105	101	97	93	90	86	83	81	78	76	73	71	69
19										121	115	109	104	100	96	92	88	85	82	79	76	74	72	69	67	66
20											109	104	99	95	91	87	84	81	78	75	73	70	68	66	64	62
21												99	94	90	86	83	80	77	74	72	69	67	65	63	61	59
22													90	86	83	79	76	73	71	68	66	64	62	60	58	57
23														82	79	76	73	70	68	65	63	61	59	57	56	54
24															76	73	70	67	65	63	61	59	57	55	53	52
25																70	67	65	62	60	58	56	54	53	51	50
26																	64	62	60	58	56	54	52	51	49	48
27																		60	58	56	54	52	50	49	47	46
28																			56	54	52	50	49	47	46	44
29																				52	50	48	47	46	44	43
30																					48	47	45	44	43	41
31																						45	44	43	41	40
32																							43	41	40	39
33																								40	39	38
34																									38	37
35																										36

For tree spacings not shown on the chart, multiply the distance between trees (nearest tenth foot) times the distance between rows (nearest tenth foot) and divide this result to tenths into 43,560 sq. ft. per acre (round to the nearest whole number). **EXAMPLE:** 6.5 ft. x 10.0 ft. = 65.0 sq. ft., then 43,560 ÷ 65.0 = 670 trees per acre. Refer to the LAM for information on how to calculate the number of trees per acre.