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Federal Crop
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Corporation



Risk
Management
Agency



Actuarial and
Product Design
Division

FCIC 25940 (09-2009)

ACTUAL REVENUE HISTORY (ARH)

CITRUS (PILOT)

LOSS ADJUSTMENT STANDARDS HANDBOOK

2011 and Succeeding Crop Years

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

FEDERAL CROP INSURANCE HANDBOOK		NUMBER: 25940
SUBJECT: CITRUS ACTUAL REVENUE HISTORY PILOT LOSS ADJUSTMENT STANDARDS HANDBOOK 2011 AND SUCCEEDING CROP YEARS	OPI: Actuarial and Product Design Division	
	APPROVED: <i>/s/ Tim B Witt</i> Deputy Administrator, Product Management	DATE: 09-03-09

THIS HANDBOOK CONTAINS THE OFFICIAL FCIC-ISSUED LOSS ADJUSTMENT STANDARDS FOR THIS CROP FOR THE 2011 AND SUCCEEDING CROP YEARS. ALL REINSURED COMPANIES WILL UTILIZE THESE STANDARDS FOR BOTH LOSS ADJUSTMENT AND LOSS TRAINING.

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CALIFORNIA ARH CITRUS PILOT LOSS ADJUSTMENT STANDARDS HANDBOOK

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1. INTRODUCTION

THIS HANDBOOK MUST BE USED IN CONJUNCTION WITH THE LOSS ADJUSTMENT MANUAL (LAM) STANDARDS HANDBOOK FCIC-25010.

The FCIC-issued loss adjustment standards for this crop are the official standard requirements for adjusting Multiple Peril Crop Insurance (MPCI) losses in a uniform and timely manner. The FCIC-issued standards for this crop and crop year are in effect as of the signature date for this crop handbook and are located on the internet at www.rma.usda.gov/handbooks/25000/index.html. All approved insurance providers (AIPs) will utilize these standards for both loss adjustment and loss training for the applicable crop year. These standards include crop appraisal methods, claims completion instructions, and form standards that supplement the general (not crop-specific) loss adjustment standards identified in the LAM.

2. SPECIAL INSTRUCTIONS

This handbook remains in effect until superseded by reissuance of **either** the entire handbook **or** selected portions (through slipsheets or bulletins). If slipsheets have been issued for a handbook, the original handbook as amended by slipsheet pages shall constitute the handbook. A bulletin can supersede either the original handbook or subsequent slipsheets.

A. DISTRIBUTION

- (1) The following is the minimum distribution of forms completed by the adjuster and signed by the insured (or insured's authorized representative) for the loss adjustment inspection:
 - (a) One legible copy to insured.
 - (b) The original and all remaining copies as instructed by the AIP.
- (2) It is the AIP's responsibility to maintain original insurance documents relative to policyholder servicing as designated in their approved plan of operations.

B. TERMS, ABBREVIATIONS, AND DEFINITIONS

- (1) Terms, abbreviations, and definitions **general** (not crop specific) to loss adjustment are identified in the LAM.
- (2) Refer to the Crop Provisions for definitions of various terms. Other terms, abbreviations, and definitions **specific** to the ARH Citrus Pilot loss adjustment and this handbook, which are not defined in this section, are defined as they appear in the text.
- (3) Abbreviations:

DSSH	Document and Supplemental Standards Handbook, FCIC-24040.
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NASS	National Agricultural Statistics Service
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T-P-C Production	Tobacco, Peanuts, and Cotton Production Worksheet
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Worksheet

(4) Definitions:

Annual Price

The average value per pound for citrus of the variety and type sold by the insured or, in the event the insured did not sell any production, the California season average price per box (converted to carton equivalent) utilized for fresh use reported by NASS for the insured crop in the publication "Citrus Fruits YYYY Summary" (released in September of the crop year) or the price per carton determined by RMA if said publication is not available.

Bearing Trees

Trees that meet the insurability requirements stated in the Crop Provisions.

Culls

Fruit that cannot be marketed as fresh-packed fruit because it fails to meet the grading standards specified in the Special Provisions.

Marketable Production

Citrus production that meets or exceeds the grading standards specified in the Special Provisions.

Reasonable Price per Pound

A value per pound paid by buyers in the local area for citrus of similar variety and quality on the date of sale.

Standard Carton

A container for marketing fresh-packed citrus fruit as shown below.

Container Size	Fruit Crop	Pounds
Container #58	Navel Oranges	38

"Over packed" containers (such as intended for the export market) and other fruit, whether contained in containers of other sizes or that is determined by appraisal or other means, must be converted to standard containers by dividing the total packed weight by the weight specified above for the crop/type to determine the equivalent number of standard containers.

Unharvested Production Adjustment

A dollar amount per pound contained in the Special Provisions used to assess a cost for that portion of the approved yield that is not harvested. Since the amount of insurance includes harvesting costs, this value represents FCIC's determination of the expenses that were not incurred.

Unharvested Tree

A tree from which all current crop year fruit has not been picked.

3. INSURANCE CONTRACT INFORMATION

The insurance provider is to determine that the insured has complied with all policy provisions of the insurance contract. Crop provisions which are to be considered in this determination include (but are not limited to):

A. INSURABILITY

The following may not be a complete list of insurability requirements. Refer to the Basic Provisions, Crop Provisions, and Special Provisions for a complete list.

- (1) **Insured Crop:** The crop insured will be all acreage in the county of each citrus crop designated in the Special Provisions that the insured elects to insure and for which a premium rate is provided by the actuarial documents:
 - (a) In which the insured has a share;
 - (b) That is of varieties (scion and rootstock) adapted to the area;
 - (c) That is irrigated unless the Special Provisions allow a nonirrigated practice;
 - (d) That is grown in a grove that, if inspected, meets the conditions for insurability contained in the Special Provisions and is considered acceptable by the insurance provider; and
 - (e) That is not intended to be direct marketed unless the insured intends to comply with the terms of section 11 (c) of the Crop Provisions.
- (2) **Interplanted Crops.** Citrus interplanted with another perennial crop is insurable unless the insurance provider inspects the acreage and determines it does not meet the requirements for insurability contained in the Crop Provisions and the Special Provisions.
- (3) **Disease and Insect Infestation.** Disease and/or insect infestation are insurable causes of loss only if:
 - (a) Adverse weather prevents the proper application of control measures;
 - (b) Adverse weather causes properly applied control measures to be ineffective; or
 - (c) No effective control mechanism is labeled by the EPA for the disease or insect infestation.
- (4) **Uninsured Losses.** Damage or loss of production due to inability to market citrus for any reason (e.g., quarantine, boycott, or refusal of any person to accept production) is not insurable. The citrus must have sustained physical damage to the extent that it does not meet the standards specified in the Special Provisions due to an insurable cause of loss **that occurred during the insurance period** to be eligible for an indemnity.
- (5) **Acreage Tolerances.** If insurable acreage for the crop in the county exceeds the acreage tolerance established by FCIC or the producer's Pre-Acceptance Worksheet indicates an inspection is required, such acreage of the citrus crop must be inspected and accepted by the

insurance provider before insurance will attach to that acreage for the crop year for which the application was filed. See the Pre-Acceptance Underwriting Field Inspections and the Perennial Crop Transitional Yield and Acreage Tolerances Listing sections in the Crop Insurance Handbook for information.

B. PROVISIONS NOT APPLICABLE TO CAT COVERAGE

CAT coverage is not provided under the ARH Citrus insurance program.

C. UNIT DIVISION

See the insurance contract for unit provisions. Unless limited by the Crop or Special Provisions, a basic unit, as defined in the Basic Provisions, may be divided into optional units if, for each optional unit, all the conditions stated in the applicable provisions are met.

D. CITRUS GRADE REQUIREMENT

As stated in the Crop Provisions, marketable citrus production is defined as production that meets or exceeds the grading standards specified in the Special Provisions. Refer to the Special Provisions for the definition of marketable citrus.

For appraisals, the specified standards are to be applied to individual fruit, not on a lot basis.

E. TREATMENT OF SHARE

It is important to note that share is treated differently under ARH than it is under plans of insurance based on production. Production can be allocated between the landlord and the lessee in proportion to the stated arrangement. However, there is no reason to anticipate that each party realized identical amounts of income from sales of the insured crop or require this arrangement. Consequently, any appraisals must be converted to revenue to count for the insured's contract by multiplying by the insured's share. In addition, only the revenue from production actually sold by the insured is included in the revenue to count.

4. CALIFORNIA CITRUS APPRAISALS

A. GENERAL INFORMATION

- (1) Potential production will be appraised in accordance with procedures specified in this handbook and the LAM.
- (2) Specifically, circumstances that require an appraisal include (but are not limited to):
 - (a) When significant production remains on acreage that has been harvested;
 - (b) The insured has citrus acreage that he/she does not intend to harvest or which is unharvested at the end of the insurance period for physical damage; or
 - (c) When directed by the AIP. An appraisal or inspection may be necessary when:

- 1 Verifiable production or adequate sales records are not available;
 - 2 Damage has occurred through uninsured causes of loss;
 - 3 Any production will be sold by direct marketing (without being commercially packed or processed); or
 - 4 Indicated in the Special Provisions.
- (3) Make separate appraisals for each citrus variety grown in the grove, as applicable. Refer to the LAM for additional reasons for appraisals.
- (4) Appraisal dates:
- (a) AIP representatives will set appraisal dates.
 - (b) Whenever appraisals are necessary, inspect the unit/orchard/suborchard after the normal fruit-drop period and before the fruit is removed from the trees.

B. SELECTING REPRESENTATIVE SAMPLE TREES FOR APPRAISALS

- (1) Make a general examination of all acreage in the orchard/suborchard. Determine the number and general location of trees to be used in the representative sample based on:
 - (a) Total acreage and number of trees;
 - (b) Extent of variation in the amount of production or damage within the acreage and when variable damage or tree conditions cause crop potential to be significantly different within the same orchard, or when the insured wishes to destroy a portion of the orchard, split the orchard into suborchards and appraise each one separately;
 - (c) Percent of each type or variety in the acreage, if applicable;
 - (d) Tree age, damage, size, density, and vigor;
 - (e) The acreage in the unit from which fruit has been picked, the extent of variation in the amount of unpicked fruit on the trees; or whether any areas or trees have been color (partially) picked.
- (2) Take not less than the minimum number (count) of representative samples required in **TABLE A**, herein.

C. ORCHARD APPRAISALS

- (1) Timing of pre-harvest appraisals when required by the AIP.
 - (a) Arrange to inspect the orchard/suborchard when most of the citrus is mature, if early release is not required.

- (b) If citrus will be harvested for direct marketing such as U-pick or for roadside sales and acceptable production records of direct marketed sales are not made available and the citrus was appraised, assess not less than the value per acre for any such acreage.
- (2) Select sample trees that have production representative of all the trees in the orchard/suborchard. If the orchard/suborchard has a mix of varieties, tree sizes, fruit count, fruit condition, or other factors that would affect the production-per-tree of citrus, select as many sample trees as necessary to make appraisals.

D. HANDLING PRE-HARVEST APPRAISAL DISCREPANCIES

If the insured disagrees with a pre-harvest appraisal and the insured agrees to accept the determined production from representative sample trees, make arrangements to leave UNHARVESTED representative sample trees for inspection when the navel oranges are ready for harvest (for harvest appraisal). The adjuster and insured should jointly determine the representative sample trees to be selected. Make a sketch map of the orchard/suborchard, as applicable, indicating the representative sample trees by row number and tree count within the chosen row. An adjuster must be present when the representative sample trees are harvested.

5. APPRAISAL METHODS

A. GENERAL INFORMATION

These instructions provide information on appraisal methods for:

*Appraisal Method...	Use...
Random Citrus Sample Method	to establish the percentage of marketable unharvested fruit.
Harvested Citrus for Unharvested Citrus Method	to establish the number of standard cartons of unharvested marketable fruit.

B. RANDOM CITRUS SAMPLE METHOD

- (1) Random samples must be representative of all citrus in the unit or plot.
- (2) Select a representative random sample of citrus from sample trees to determine the number of citrus lost to insurable causes using the following criteria:
 - (a) Select not less than 100 citrus fruits per sample from the inside, outside, top, and bottom of all 4 quadrants of sample trees that reflect the general condition of all insurable citrus in the plot.
 - (b) The sample selected must be random and include citrus that could be packed and citrus that could be eliminated if graded in the packing house.
 - (c) Samples can be obtained by selecting citrus from each sample tree in a representative number of rows in the grove.
- (3) NEVER USE A SAMPLE OF LESS THAN 100 FRUIT for establishing the percent of damage for any unit or plot. If more than 100 citrus are required to fill a standard carton, pick

as many additional citrus as necessary to fill the standard carton. As sample size increases, the chances of an inaccurate appraisal decrease.

FOR FREEZE DAMAGE, only that portion of the sample that will be marketed or is marketable will be cut to determine the percent of damage. See Exhibit I C – F for information and methods of determining freeze damage.

- (4) The ARH Citrus (Pilot) Crop Provisions guarantee the revenue from sales of MARKETABLE fruit. To determine the amount of unharvested marketable citrus in a plot or unit, follow the steps below:
- (a) Place the randomly sampled fruit into the proper standard carton. Count the number needed to fill the container.
 - (b) Separate the culls from the marketable citrus in the standard carton and determine the ratio of marketable fruit on the trees, as shown in the following example:

EXAMPLE:

A random sample of 128 citrus from a sample plot was required to fill a standard carton. 105 of these citrus were determined to be marketable.

Citrus that is not marketable due to INSURABLE causes will not be considered production to count.

105 divided by 128 equals .820 or 82.0% (ratio of marketable fruit).

The quadrant counts of citrus from representative trees averaged 625 fruits per tree.

82.0% times 625 citrus per tree equals 513 marketable fruits per tree.

513 marketable citrus per tree, divided by 128 citrus per standard carton equals 4.0 standard cartons of marketable citrus per tree (rounded to nearest tenth).

4.0 standard cartons of marketable citrus times unharvested trees per acre equals total cartons of marketable citrus per acre remaining on unharvested trees.

- (c) Packing house managers will be consulted as needed to determine if representative samples can be packed as fresh citrus. Citrus that is not marketable can either be dropped to the ground or sent for processing. This acreage can then be released.

C. HARVESTED CITRUS FOR UNHARVESTED CITRUS METHOD

- (1) Make arrangements with the insured to harvest representative trees after the crop has reached maturity. This production is then used to determine the yield per acre. See instructions on selecting a random citrus sample (**TABLE A**).
- (2) The trees that are harvested must be REPRESENTATIVE OF THE UNHARVESTED TREES.

Verification of comparability of production between harvested and unharvested trees can be made by actually comparing the crop on the trees PRIOR to any harvesting. In other cases it may be possible to verify the equitability of harvested and unharvested production by

inspecting harvested production records, the trees, any remaining production in the grove, and comparing the production. Document such inspections in the remarks section of the claim form or on a Special Report.

- (3) Other methods of appraising unharvested fruit may be utilized as instructed by the insurance provider.
- (4) Document method(s) used in making appraisals on the appraisal worksheet.

6. APPRAISAL DEVIATIONS AND MODIFICATIONS

A. DEVIATIONS

Deviations in appraisal methods require FCIC written authorization (as described in the LAM) prior to implementation.

B. MODIFICATIONS

There are no pre-established modifications contained in this handbook. Refer to the LAM for additional information.

7. APPRAISAL WORKSHEET ENTRIES AND COMPLETION PROCEDURES

A. APPRAISAL WORKSHEET FORM STANDARDS

- (1) The entry items in subsection C herein are the minimum requirements for the Citrus Appraisal Worksheet (hereafter referred to as the Appraisal Worksheet). All these entry items are “Substantive,” (i.e., they are required).
- (2) Appraisal Worksheet Completion Instructions. The completion instructions for the required entry items on the Appraisal Worksheet in the following subsections are “Substantive,” (i.e., they are required).
- (3) The Privacy Act and Nondiscrimination statements are required statements that must be printed on the form or provided to the insured as a separate document. These statements are not shown on the example exhibit. The current Privacy Act and Nondiscrimination statements can be found in the Document and Supplement Standards Handbook (DSSH) FCIC-24040.
- (4) Refer to the DSSH for other crop insurance form requirements (e.g., font point size, etc.).

B. GENERAL INFORMATION FOR APPRAISAL WORKSHEET ENTRIES AND COMPLETION PROCEDURES

- (1) Include the AIP’s name in the appraisal worksheet title if not preprinted on the AIP’s worksheet, or when a worksheet entry is not provided.

- (2) Include the claim number on the appraisal worksheet (when required by the AIP) when a worksheet entry is not provided.
- (3) Complete separate appraisal worksheets for each unit/orchard/suborchard inspected, as applicable. Complete separate appraisal worksheets for each navel orange type in the unit, as applicable.
- (4) For every inspection complete items 1 through 8, item 13, and Part II of the appraisal worksheet.
- (5) Entries in the appraisal worksheets are the cartons determined by the appraisal. Any adjustments to recognize share will be made on the T-P-C Production Worksheet.
- (6) Separate Appraisal Worksheets are required for each unit or plot inspected. Refer to Table A for sampling instructions.

C. WORKSHEET ENTRIES AND COMPLETION INFORMATION

Verify or make the following entries:

Item
No.

Information Required

Company: Name of insurance provider, if not preprinted on the worksheet (company name).

Claim Number: Claim number as assigned by the insurance provider.

1. **Insured's Name:** Name of the insured that identifies EXACTLY the person to whom the policy is issued.
2. **Policy Number:** Insured's assigned policy number.
3. **Crop Year:** Crop year, as defined in the policy, for which the claim has been filed.
4. **Type and Kind of Citrus:** Crop name and crop code, as shown on the actuarial documents, for the variety of citrus grown.
5. **Date of Damage:** First three letters of the month during which MOST of the insured damage (if progressive damage occurred). Include SPECIFIC DATE where applicable, as in the case of freeze damage (e.g., Dec 7, YYYY).
6. **Unit Number:** Five-digit unit number from the Summary of Coverage after it is verified to be correct (e.g., 00100).
7. **Acreage:** Number of determined acres, to tenths, in orchard or plot being appraised.
8. **Number of Trees Having Unpicked Fruit:** Number of trees on the unit having unpicked (unharvested) fruit.

PART I – UNPICKED FRUIT ON THE TREE

Verify or make the following entries:

Item No.	<u>Information Required</u>
1.	Sample No. of Plots: Plot/sample identification number.
2.	No. of Trees in Plot: Number of bearing trees in the sample plot.
3.	Acres in Plot: Plot acres (rounded to tenths).
4.	Random Pick: Number of fruit randomly picked to fill a standard carton (minimum of 100 per sample).
5.	Grade: Number of marketable fruit in the sample. Enter the result of item 4 minus item 6.
6.	Culls: Number of cull fruit in the sample.
7.	Number Fruit Cut: Number of fruit in item 5 that were cut. Enter zero if the cause of loss is not freeze. Cut all fruit in sample if less than 100 marketable fruit. See Exhibit 1B for information regarding freeze damaged fruit.
8.	Number Fruit Lost: Number of cut fruit damaged by freeze. Enter zero if the cause of loss is not freeze.
9.	Percent Damage (8÷7): Enter zero unless the cause of loss is freeze. If the cause of loss is freeze, divide item 8 by item 7. Round the result to three decimal places.
10.	Remarks: Remarks pertinent to the appraisal, sampling, conditions in general, disposition of fruit, etc.

PART II – DETERMINATION OF THE PRODUCTION TO COUNT

Verify or make the following entries:

Item No.	<u>Information Required</u>
1.	Plot Number: Plot number.
2.	Ctn. Size Fruit: Enter the value in Part I, item 4.
3.	Culls: Enter the value in Part I, item 6.
4.	Graded Fruit: Enter the result in Part I, item 5.
5.	% of Ctn. (4 ÷ 2): Item 4 divided by item 2, rounded to three decimal places.

6. **No. of Fruit Per Tree:** Count the total number of fruit from all sampled trees, calculate and enter the average per tree.
7. **Graded Fruit Per Tree (5X6):** Item 5 times item 6, rounded to the nearest whole fruit.
8. **Graded Ctn. Per Tree (7÷2):** Item 7 divided by item 2, rounded to nearest tenth.
9. **Total Trees P/A:** Enter the average number of unharvested trees per acre in this plot.
10. **Graded Ctns. P/A (8X9):** Item 8 times item 9, rounded to tenths.
11. **% of Marketable Fruit:** Enter 1.000 minus the percent of damage (Part I, item 9), rounded to three decimal places.
12. **Ctns. to Count (10X11):** Item 10 times item 11, rounded to tenths.
13. **Remarks:** Enter any information pertinent to the unit such as number of acres picked, presence of frost protection equipment, etc. For appraisals performed to document **uninsured cause of loss**, enter the following: “Annual Price =.” Enter the annual price as determined from the appropriate Summary of Harvested Production Worksheet or the value announced by RMA as appropriate. Enter “Appraised revenue to count =.” Enter the result of multiplying the entry in item 12 by the annual price.

The following required entries are not illustrated on the appraisal worksheet example below.

14. **Adjuster’s Signature, Code Number, and Date:** Signature of adjuster, code number, and date signed **after** the insured (or insured’s authorized representative) has signed. If the appraisal is performed prior to signature date, document the date of appraisal in the Remarks/Narrative section of the Appraisal Worksheet (if available); otherwise, document the appraisal date in the Narrative of the Production Worksheet.
15. **Insured’s Signature and Date:** Insured’s (or insured’s authorized representative’s) signature and date. **BEFORE** obtaining insured’s signature, **REVIEW ALL ENTRIES** on the Appraisal Worksheet **WITH THE INSURED**, particularly explaining codes, etc., that may not be readily understood.
16. **Page Number:** Page number - (Example: Page 1 of 1, Page 1 of 2, Page 2 of 2, etc.).

If there are multiple pages to the appraisal worksheet, complete items 14 and 15 (signature of adjuster and signature of insured) only on the last page of the Appraisal Worksheets for the unit.

COMPANY: <i>Any Company</i>				CLAIM #: XXXXXXXXX							
CITRUS APPRAISAL WORKSHEET (FOR ILLUSTRATION PURPOSES ONLY)				1. INSURED'S NAME		2. POLICY NUMBER		3. CROP YEAR			
				<i>I. M. Insured</i>		XXXXXXXXX		YYYY			
				4. TYPE AND KIND OF CITRUS		5. DATE OF DAMAGE		6. UNIT NUMBER			
				NAVEL ORANGES – 0215		DEC 7, YYYY		00100			
				7. ACREAGE		8. NUMBER OF TREES HAVING UNPICKED FRUIT					
30.0		900									
PART I: FRUIT COUNT											
Sample No. of Plots 1.	No. of Trees in Plot 2.	Acres in Plot 3.	Random Pick 4.	Grade 5.	Culls 6.	Number Fruit Cut 7.	Number Fruit Lost 8.	Percent Damage (8÷7) 9.			
1A	450	5.0	128	105	23	105	17	.162			
2A	450	5.0	140	112	28	112	112	1.000			
10. Remarks APPROXIMATELY 2 CTNS. PER TREE ON GROUND DUE TO FREEZE. PLOT 2A – WILL DROP ON GROUND. INSEPERABLE FREEZE DAMAGE CANNOT BE PACKED. PRODUCTION TO COUNT IS ZERO.											
PART II: DETERMINATION OF THE PRODUCTION TO COUNT											
Plot Number 1.	Ctn Size Fruit 2.	Culls 3.	Graded Fruit 4.	% of Ctn. (4÷2) 5.	No. of Fruit per Tree 6.	Graded Fruit per Tree (5 x 6) 7.	Graded Ctn. per Tree (7÷2) 8.	Total Trees P/A 9.	Graded Ctns. P/A (8 x 9) 10.	% of Marketable Fruit 11.	Ctns. To Count (10 x 11) 12.
1A	128	23	105	.820	625	513	4.0	90	360.0	0.838	301.7
2A	140	28	112	.800	600	480	3.4	85	289.0	0.000	0.0
13. Remarks: NO FREEZE PROTECTION EQUIPMENT ON PLOTS 1A AND 2A. SEE MAP ON SPECIAL REPORT. 20 ACRES PICKED AND PACKED.											
This form example does not illustrate all required entry items (e.g., signatures, etc.).											

8. DETERMINING THE VALUE OF HARVESTED PRODUCTION

A. GENERAL INFORMATION

The procedures herein and the example Summary of Harvested Production Worksheets illustrate how to calculate and document the annual price.

B. DETERMINING THE ANNUAL PRICE

- (1) Use the insured's Net Dollars Received as the value of sold or Direct Marketed harvested production if the AIP determines the insured received a reasonable price per pound for such production. A reasonable price is the price buyers in the area are paying on the date of sale for citrus of the same variety and quality.
- (2) If the AIP determines the price was reasonable, the **annual price** will be the total of the net dollars received divided by the total cartons of marketable fruit sold.
- (3) The annual price shall first be calculated on a unit basis as the average value per carton of any production sold on the unit by the producer if that price is determined to be reasonable. This is done because a particular unit may have a unique variety or specific harvesting window.
- (4) If a unit level annual price is unavailable or determined not reasonable, the annual price may be calculated on a whole farm basis as the average value per carton of all navel orange production sold across units by the producer if that price is determined to be reasonable.
- (5) If the AIP determines the price (from (2), (3) and (4)) was not reasonable, the **annual price** for the unit will be determined by multiplying the season average price per box received by producers in the state by the conversion factor shown in the Crop Provisions.
- (6) Harvested production damaged or defective due to insurable causes and not marketable will have a zero value and will not be included in determining the **annual price**.

9. SUMMARY OF HARVESTED PRODUCTION WORKSHEET ENTRIES AND COMPLETION PROCEDURES

A. SUMMARY OF HARVESTED PRODUCTION WORKSHEET STANDARDS

- (1) The entry items in subsection C are the minimum requirements for the Summary of Harvested Production Worksheet hereafter referred to as the Harvested Production Worksheet. Each of these entry items is "Substantive," (i.e., they are required).
- (2) Harvested Production Worksheet Completion Instructions. The completion instructions for the required entry items on the worksheet in the following subsections are "Substantive," (i.e., they are required).
- (3) The Privacy Act and Nondiscrimination statements are required statements that must be printed on the form or provided to the insured as a separate document. These statements

are not shown on the example form in this exhibit. The current Privacy Act and Nondiscrimination statements can be found in the DSSH.

- (4) Refer to the DSSH for other crop insurance form requirements (e.g., font point, size, etc.).

B. GENERAL INFORMATION FOR HARVESTED PRODUCTION WORKSHEET ENTRIES AND COMPLETION PROCEDURES

- (1) Use this worksheet to record harvested production and sale of citrus.
- (2) Record all the production delivered to each processor, packinghouse, or other first handler on separate Harvested Production Worksheets. When citrus production is recorded in containers other than standard cartons, convert the reported containers to standard carton equivalents.
- (3) Complete a separate worksheet for sold, unsold, and direct marketed production, as applicable. Use multiple worksheets for sold, unsold, and direct marketed production as needed to record all individual loads of lot data if this is the form in which the data are entered.
- (4) A year-end summary from a processor, packinghouse, or other first handler may be used in lieu of individual load or lot data. The examples herein demonstrate individual load or lot data.
- (5) The allowable revenue may not include any handling charges such as grading, cooling, fumigating, packing, packing containers, selling commissions, and other assessments.
- (6) All entries on the Harvested Production Worksheet must reflect the insured's share of the total.

C. HARVESTED PRODUCTION WORKSHEET ENTRIES AND COMPLETION INFORMATION

Verify or make the following entries:

Item
No.

Information Required

Company Name: Name of AIP, if not preprinted on the worksheet (company name). Insert "Page 1 of n," "Page 2 of n," etc. Number each set of worksheets (sold, direct marketed, unsold) separately.

1. **Insured's Name:** Name of the insured that identifies EXACTLY the person (legal entity) to whom the policy is issued.
2. **Crop:** "Citrus Crop" (Crop Code) as shown in the actuarial documents.
3. **Crop Year:** Four-digit crop year, as defined in the policy, for which the claim is filed.
4. **Policy Number:** Insured's assigned policy number.

5. **Unit Number:** Five-digit unit number (e.g., 00100) from the Summary of Coverage after it is verified to be correct.
6. **Claim Number:** Claim number as assigned by the AIP.
7. **Type/Disposition/Variety:** Name of crop and type (if applicable), disposition (e.g., sold, unsold, direct marketed) of the citrus represented by this Harvested Production Worksheet. Enter NA if type is not applicable.
8. **Name, Address, and Phone No. of Buyer/Packer:** Name, address, and telephone number of the processor, packing house, or other first handler of the production.

PART I - PRODUCTION

9. **Date:** Date the load, lot, pool, or account reported on the line was delivered, closed, or summarized. List in MM/DD/YYYY format.
10. **Load/Lot/Pool/Summary No.:** Identification number of the load, lot, pool, or account.

For columns 11 through 15 below, when there are no specific instructions for either sold, unsold, or direct marketed production, enter 0 on the worksheet. CARTONS DELIVERED, CARTONS SOLD, DIRECT MARKETED PRODUCTION, AND ALL DOLLAR ENTRIES MUST INCLUDE ONLY THAT PORTION OF THE PRODUCTION INCLUDED BY THE INSURED'S SHARE.

11. **Cartons Delivered:** Sold, Unsold, or Direct Marketed Production: The insured's share of the number of whole standard cartons of citrus per load, lot, pool, or account, as delivered. If production is not in standard cartons, convert the reported weights to cartons and enter weight in whole cartons. List any conversion factor(s) used in the "Remarks".
12. **Cartons Sold: Sold Production:** The insured's share of the number of whole standard cartons per load, lot, pool, or account that were sold. Explain any difference, such as culled unmarketable citrus, in the Remarks section. Any delivered marketable production that is unsold must be reported on an Unsold Production worksheet. **Direct Marketed production:** Transfer entry from column 11.
13. **Gross Dollars Received:** Sold or Direct Marketed Production: The insured's share of the value per load, lot, pool, or account listed in column 10, in dollars and cents as reported on the documents from the handler.
14. **Adjustments to Gross Dollars Received:** Sold Production: If the gross dollars received as reported in item 13 include handling charges, enter the insured's share of the amount of those charges in dollars and cents, such as in-charges, out-charges, and other industry handling charges customary in the area. If the dollars in item 13 do not include such charges, enter zero (0). If not delivered to a third party, adjustments must be verifiable as packing or processing expenses.
15. **Net Dollars Received:** Column 13 minus column 14, results rounded to dollars and cents.
16. **Totals:** Separately total columns 11, 12, 13, 14, and 15, as applicable, on the final page of the worksheet for each classification (sold, unsold, or direct marketed).

PART II - WEIGHTED VALUE BY TYPE

17. **Total Dollars Received:** On the final worksheet for a unit, draw a line through “Total” and enter “Net.” Enter the sum of the net dollars received for Sold and Direct Marketed Production from column 15 “Totals” from the respective worksheets. Leave the item blank on the Unsold Production worksheet.
18. **Total Cartons Sold and Direct Marketed:** Enter the sum of the total standard cartons sold for all column 12 entries from the appropriate worksheets. Transfer this entry to section II, column “G - Production” on the T-P-C Production Worksheet.
19. **Annual Price per Carton:** Divide item 17 by item 18 and enter the result in dollars and cents per standard carton as a three-place decimal (e.g., \$7.354 is entered as 7.354, etc.).
20. **Total Cartons Delivered and Direct Marketed:** Enter the sum of the total standard cartons delivered and direct marketed for all column 11 entries from the appropriate worksheets.
21. MAKE NO ENTRY.
22. **Remarks:**
 - a. Enter any pertinent information such as where unsold production has been stored and how it was valued.
 - b. Document any factors used to convert delivered production to standard cartons of delivered production on each page for which conversion factors are applicable.

The following required entries are not illustrated on the appraisal worksheet example below.

23. **Adjuster’s Signature, Code Number, and Date:** Signature of adjuster, code number, and date signed after the insured (or insured’s authorized representative) has signed.
24. **Insured’s Signature and Date:** Insured’s (or insured’s authorized representative’s) signature and date on each page. Before obtaining the insured’s signature, REVIEW ALL ENTRIES WITH THE INSURED or the insured’s authorized representative, particularly explaining codes, etc., which may not be readily understood.
25. **Page:** Page number of the Summary of Harvested Production pages APPLICABLE TO THE CITRUS, e.g., Page 1 of 2 Pages, Page 2 of 2 Pages, etc.

If there are multiple pages to the appraisal worksheet, complete items 14 and 15 (signature of adjuster and signature of insured) only on the last page of the Appraisal Worksheets for the unit.

SUMMARY OF HARVESTED CITRUS PRODUCTION WORKSHEET (For Illustration Purposes Only)	COMPANY NAME: <i>Any Company</i>			Page 1 of 1	
	1. INSURED'S NAME <i>I.M. Insured</i>		2. CROP <i>ARH Citrus (0215)</i>		3. CROP YEAR <i>YYYY</i>
	4. POLICY NUMBER <i>XXXXXXX</i>	5. UNIT NUMBER <i>00100</i>	6. CLAIM NUMBER <i>XXXXXXXXX</i>		7. TYPE/DISPOSITION/VARIETY <i>Fresh/Sold/NA</i>

8. NAME, ADDRESS, AND PHONE NUMBER OF BUYER/PACKER

Acme Packing Company
Any Street
Any Town, State (XXX) XXX-XXXX

PART I - PRODUCTION						
DATE 9	LOAD/LOT/POOL/ SUMMARY NO. 10	CARTONS DELIVERED 11	CARTONS SOLD 12	GROSS DOLLARS RECEIVED 13	ADJUSTMENT TO GROSS DOLLARS RECEIVED 14	NET DOLLARS RECEIVED 15
<i>12-20-YYYY</i>	<i>00103</i>	<i>500</i>	<i>410</i>	<i>5,250.00</i>	<i>345.00</i>	<i>4,905.00</i>
<i>01-25-YYYY</i>	<i>00458</i>	<i>4,400</i>	<i>3,700</i>	<i>21,270.00</i>	<i>1,895.00</i>	<i>19,375.00</i>
<i>02-28-YYYY</i>	<i>00921</i>	<i>3,750</i>	<i>2,950</i>	<i>25,287.00</i>	<i>1,598.00</i>	<i>23,689.00</i>
16. TOTALS		<i>8,650</i>	<i>7,060</i>	<i>51,807.00</i>	<i>3,838.00</i>	<i>47,969.00</i>
PART II - WEIGHTED VALUE BY TYPE						
17. NET DOLLARS RECEIVED	18. TOTAL CARTONS SOLD AND DIRECT MARKETED	19. ANNUAL PRICE PER CARTON	20. TOTAL CARTONS DELIVERED AND DIRECT MARKETED			

22. REMARKS:

Processor summary sheet noted that 2,290 cartons of delivered navel oranges were culls.

SOLD FRESH FRUIT EXAMPLE

This form example does not illustrate all required entry items (e.g., signatures, etc.).

SUMMARY OF HARVESTED CITRUS PRODUCTION WORKSHEET (For Illustration Purposes Only)	COMPANY NAME: <i>Any Company</i>			
	1. INSURED'S NAME <i>I.M. Insured</i>		2. CROP <i>ARH Citrus (0215)</i>	3. CROP YEAR <i>YYYY</i>
	4. POLICY NUMBER <i>XXXXXXX</i>	5. UNIT NUMBER <i>00100</i>	6. CLAIM NUMBER <i>XXXXXXXXX</i>	7. TYPE/DISPOSITION/VARIETY <i>Fresh/Sold/NA</i>

8. NAME, ADDRESS, AND PHONE NUMBER OF BUYER/PACKER

Al's Fruit Stand

Any Street

Any Town, State (XXX) XXX-XXXX

PART I - PRODUCTION						
DATE 9	LOAD/LOT/POOL/ SUMMARY NO. 10	CARTONS DELIVERED 11	CARTONS SOLD 12	GROSS DOLLARS RECEIVED 13	ADJUSTMENT TO GROSS DOLLARS RECEIVED 14	NET DOLLARS RECEIVED 15
<i>01-30-YYYY</i>	<i>Ledger</i>	<i>50</i>	<i>50</i>	<i>600.00</i>	<i>0.00</i>	<i>600.00</i>
<i>02-03-YYYY</i>	<i>Ledger</i>	<i>300</i>	<i>300</i>	<i>3,300.00</i>	<i>0.00</i>	<i>3,300.00</i>
<i>02-10-YYYY</i>	<i>Ledger</i>	<i>475</i>	<i>475</i>	<i>4,987.00</i>	<i>0.00</i>	<i>4,987.00</i>
16. TOTALS		<i>825</i>	<i>825</i>	<i>8,887.00</i>		<i>8,887.00</i>
PART II - WEIGHTED VALUE BY TYPE						
17. NET DOLLARS RECEIVED	18. TOTAL CARTONS SOLD AND DIRECT MARKETED	19. ANNUAL PRICE PER CARTON		20. TOTAL CARTONS DELIVERED AND DIRECT MARKETED	21.	
<i>56,856.00</i>	<i>7,885</i>	<i>7.21</i>		<i>9,475</i>		

22. REMARKS:

.

DIRECT MARKETED EXAMPLE

This form example does not illustrate all required entry items (e.g., signatures, etc.).

10. CLAIM FORM ENTRIES AND COMPLETION PROCEDURES

A. CLAIM FORM STANDARDS

- (1) The entry items in subsection C are the minimum claim form (hereafter referred to as “T-P-C Production Worksheet”) requirements. Each of these entry items is considered “Substantive,” (i.e., they are required).
- (2) The completion instructions for the required entry items on the T-P-C Production Worksheet in the following subsections are “Substantive,” (i.e., they are required).
- (3) The Privacy Act and Nondiscrimination statements are required statements that must be printed on the form or provided as a separate document. These statements are not shown in the example form in this exhibit. The current Privacy Act and Nondiscrimination statements can be found in the DSSH.
- (4) The certification statement required by the current DSSH must be included on the form directly above the insured’s signature block immediately followed by the statement below.

“I understand the certified information on this T-P-C Production Worksheet will be used to determine my loss, if any, to the above unit. The insurance provider may audit and approve this information and supporting documentation. The Federal Crop Insurance Corporation, an agency of the United States, subsidizes and reinsures this crop insurance.”

- (5) Refer to the DSSH for other crop insurance form requirements (e.g., point size of font, etc).

B. GENERAL INFORMATION

- (1) The claim form (hereafter referred to as “Production Worksheet”) is a progressive form containing all notices of damage for all preliminary and final inspections on a unit.
- (2) If a Production Worksheet has been prepared on a prior inspection, verify each entry and enter additional information as needed. If a change or correction is necessary, strike out all entries on the line and re-enter correct entries on a new line. The adjuster and insured should initial any line deletions.
- (3) Refer to the LAM for instructions regarding the following:
 - (a) Acreage report errors.
 - (b) Delayed notices and delayed claims.
 - (c) Corrected claims or fire losses (double coverage) and cases involving uninsured causes of loss, unusual situations, controversial claims, concealment, or misrepresentation.
 - (d) Claims involving a Certification Form (when all the acreage on the unit has been appraised to be put to another use, or other reasons as described in the LAM).
 - (e) “No Indemnity Due” claims (which must be verified by an APPRAISAL or NOTIFICATION from the insured that the production exceeded the guarantee).

- (4) The adjuster is responsible for determining if any of the insured's requirements under the notice and claim provisions of the policy have not been met. If any have not, the adjuster should contact the insurance provider.
- (5) Instructions labeled "**PRELIMINARY**" apply to preliminary inspections only. Instructions labeled "**FINAL**" apply to final inspections only. Instructions not labeled apply to ALL inspections.
- (6) The unharvested production adjustment is calculated as follows:
 - (a) Multiply approved yield by coverage level and share;
 - (b) Multiply the number of acres damaged solely by uninsured cause by (a);
 - (c) Multiply the respective entries in Part II item 12 of the final Appraisal Worksheets for the unit by the number of acres appraised and by the insured's share;
 - (d) Sum the values determined in step (c);
 - (e) Add the standard cartons from Part II item 20 of the final Harvested Production Worksheet to the result determined in step (d);
 - (f) Multiply approved yield in step (a) by coverage level, share, and the number of insured acres; and
 - (g) Subtract the result of step (e) from the result of step (f).

EXAMPLE: Assume the insured has an approved yield of 500 cartons per acre, has 30 insured acres, a 75% coverage level, and a 100% share. Production delivered and direct marketed is 9475.0 cartons. The calculations are as follows:

- (a) $500 \text{ cartons} \times 0.75 \text{ coverage level} \times 1.000 \text{ share} = 375 \text{ cartons}$;
- (b) $375 \text{ cartons} \times 0.0 \text{ acres damaged solely by uninsured cause} = 0.0 \text{ cartons}$;
- (c) $301.7 \text{ appraised cartons} \times 5.0 \text{ appraised acres} \times 1.000 \text{ share} = 1,508.5 \text{ cartons}$;
- (d) Only one Appraisal Worksheet is completed; the sum is 1,508.5 cartons;
- (e) $1,508.5 \text{ cartons} + 9,475.0 \text{ cartons} = 10,983.5 \text{ cartons}$;
- (f) $375 \text{ cartons} \times 30 \text{ acres} = 11,250 \text{ cartons}$;
- (g) $11,250 \text{ cartons} - 10,983.5 \text{ cartons} = 266.5 \text{ cartons}$

This amount (266.5 cartons) will be entered on the T-P-C Production Worksheet in Section I item J with a stage code "UA."

C. FORM ENTRIES AND COMPLETION INFORMATION

Verify or make the following entries:

Item

No.

Information Required

1. **Crop/Code #:** Navel Oranges (0215).

2. **Units:** Enter the five-digit unit number from the Summary of Coverage for the unit after it is verified to be correct. (e.g., 00100).
3. **Legal Description:** Section, township, and range number or other legal description that identifies the location of the unit.
4. **Date of Damage:** First three letters of the month during which MOST of the insured damage occurred (for each inspection if due to progressive damage). Include the SPECIFIC DATE where applicable as in the case of freeze damage (e.g., DEC 7).
5. **Cause of Damage:** Name of insured cause of loss for **this crop** as listed in the LAM. If it is evident that no indemnity is due, enter “NONE.” If an insured cause of loss is coded as “Other,” explain in the “Narrative.” Use the second block in this row to record a secondary cause of loss, if any.

See the Basic Provisions and the Crop Provisions for information pertaining to insured and uninsured causes of loss.

6. **Primary Cause %:**

PRELIMINARY: MAKE NO ENTRY.

FINAL: Percent of damage for the cause of damage listed in item 5 above that is determined to be the primary cause of damage, to the nearest whole percent. The primary cause of damage must exceed 50 percent (e.g., 51%).

7. **Company/Agency:** Name of the AIP and agency servicing the contract.
8. **Name of Insured:** Name of the insured that identifies EXACTLY the person to whom the policy is issued.
9. **Claim #:** Claim number as assigned by the insurance provider.
10. **Policy #:** Insured’s assigned policy number.
11. **Crop Year:** Crop year, as defined in the policy, for which the claim is filed.
12. **Additional Units:**

PRELIMINARY: MAKE NO ENTRY.

FINAL: Unit number(s) for ALL non-loss units for the crop at the time of final inspection. A non-loss unit is any unit for which a T-P-C Production Worksheet has not been completed. Additional non-loss units may be entered on a single T-P-C Production Worksheet. If more spaces are needed for non-loss units, enter the unit numbers identified as “Non-loss Units,” in the “Narrative” or on an attached Special Report.

13. **Est. Prod. Per Acre:**

PRELIMINARY: MAKE NO ENTRY.

FINAL: Estimated yield per acre, in whole standard cartons, of all non-loss units for the crop at the time of final inspection.

14. **Date(s) of Notice:**

PRELIMINARY:

- a. Date the notice of damage was given for the unit in item 2.
- b. A third preliminary inspection (if needed) requires an additional set of Production Worksheets. Enter the date of notice for a third preliminary inspection in the 1st space of item 14 on the second set.
- c. Reserve the “Final” space on the first page of the first set of Production Worksheets for the date of notice for the final inspection.
- d. If the inspection is initiated by the insurance provider, enter “Company Insp” instead of the date.

FINAL: Transfer the last date (in the first or second space from the first or second set of T-P-C Production Worksheets to the FINAL space on the first page of the first set of T-P-C Production Worksheets if a final inspection should be made as a result of the notice. Always enter the complete date of notice (MM/DD/YYYY) for the “FINAL” inspection in the FINAL space on the first page of the first set of T-P-C Production Worksheets. For a delayed notice of loss or delayed claim, refer to the LAM.

15. **Companion Policy(s):**

- a. If no other person has a share in the unit (insured has 100 percent share), MAKE NO ENTRY.
- b. In all cases where the insured has LESS than a 100 percent share of a loss-affected unit, ask the insured if the OTHER person sharing in the unit has a multiple-peril crop insurance contract (i.e., not crop-hail, fire, etc.). If the other person does not, enter “NONE.”
 - (1) If the other person has a multiple-peril crop insurance contract and it can be determined that the SAME insurance provider services it, enter the contract number. Handle these companion policies according to insurance provider instructions.
 - (2) If the OTHER person has a multiple-peril crop insurance contract and a DIFFERENT insurance provider or agent services it, enter the name of the insurance provider and/or agent (and contract number) if known.
 - (3) If unable to verify the existence of a companion contract, enter “Unknown” and contact the insurance provider for further instructions.

See the LAM for further information regarding companion contracts.

SECTION I – ACREAGE APPRAISED, PRODUCTION, AND ADJUSTMENTS

Make separate line entries for varying:

- (1) Rate classes, types, or farming practices;
- (2) APH yields;
- (3) Appraisals;
- (4) Adjustment to appraised production;
- (5) Stages or intended use(s) of acreage;
- (6) Shares (e.g., 50 percent (50%) and 75 percent (75%) shares on the same unit); or
- (7) Appraisals for damage due to hail or fire if Hail and Fire Exclusion is in effect.

Verify or make the following entries:

**Item
No.**

Information Required

A. **Field ID:** The field identification symbol from a sketch map or an aerial photo. In the margin (or in a separate column), enter the date of inspection for the last line entry of each inspection.

B. **Preliminary Acres:**

PRELIMINARY: The number of acres, to tenths, (include “E” if estimated), for which consent for other use has been given. Determine actual acreage, to tenths, when the boundaries of the appraised acreage may not be determined later. Refer to the LAM or CIH for acreage measurement instructions specific to perennial crops.

FINAL: MAKE NO ENTRY.

C. **Final Acres:** See the LAM for definition of acceptable determined acres used herein.

Determined acres to tenths (include “E” if estimated) for which consent is given for other use and/or is:

- a. Put to other use without consent.
- b. Abandoned.
- c. Damaged by uninsured causes.
- d. For which the insured failed to provide acceptable records of production.
- e. From which production was sold by direct marketing if the insured failed to meet the requirements contained in the Crop Provisions.

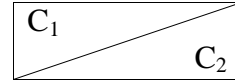
FINAL: Determined acres to tenths.

UNHARVESTED PRODUCTION ADJUSTMENT: MAKE NO ENTRY.

Acreage breakdowns WITHIN a unit may be estimated (enter “E” in front of the acres) if a determination is impractical AND if authorization was received from the insurance provider. Document authorization in the Narrative.

ACCOUNT FOR ALL ACREAGE IN THE UNIT. In the event of over-reported acres, handle in accordance with individual insurance provider's instructions. In the event of under-reported acres, draw a diagonal line in Column "C" as shown.

- C₁ Enter the ACTUAL acres for the field or subfield.₁
C₂ Enter the REPORTED acres for the field or subfield.₂



- D. **Interest or Share:** Insured's interest in crop to three decimal places as determined at the time of inspection. If shares vary on the same UNIT, use separate line entries.
UNHARVESTED PRODUCTION ADJUSTMENT: MAKE NO ENTRY.
- E. **Risk:** Three digit code for the correct rate class from the actuarial documents. If a "Rate Class" or "High Risk Area" is not specified on the actuarial documents, make no entry. Verify with the Summary of Coverage, and if the rate class is found to be incorrect, revise according to insurance provider's instructions. See the LAM. **UNHARVESTED PRODUCTION ADJUSTMENT: MAKE NO ENTRY.**

Unrated land is uninsurable.

- F. **Practice:** Three-digit code number, entered exactly as specified on the actuarial documents, for the practice carried out by the insured. If "No Practice Specified," enter appropriate 3-digit code number from the actuarial documents. **UNHARVESTED PRODUCTION ADJUSTMENT: MAKE NO ENTRY.**
- G. **Type/Class/Variety:** Enter 3-digit code number exactly as shown on the actuarial documents) for the type/class/variety grown by the insured. **UNHARVESTED PRODUCTION ADJUSTMENT: MAKE NO ENTRY.**
- H. **Stage:**

PRELIMINARY: MAKE NO ENTRY.

FINAL: Stage abbreviation as shown below.

<u>STAGE</u>	<u>EXPLANATION</u>
"P".....	Acres abandoned without consent, put to other use without consent, damaged solely by uninsured causes, for which the insured failed to provide records of production which are acceptable to the insurance provider, or from which production was sold by direct marketing if the insured failed to meet the requirements contained in the Crop Provisions.
"H".....	Harvested.
"UH".....	Unharvested or put to other use with consent.
"UA"	Unharvested Production Adjustment

GLEANNED ACREAGE: Refer to the LAM for information on gleanning.

- I. **Intended or Final Use:** Use of Acreage. Use the following "Intended Use" abbreviations.

<u>USE</u>	<u>EXPLANATION</u>
"WOC"	Other use without consent
"SU"	Solely uninsured
"ABA"	Abandoned without consent
"H"	Harvested
"UH"	Unharvested

Verify any "Intended Use" entry. If the final use of the acreage was not as indicated, strike out the original line and initial it. Enter all data on a new line showing the correct "Final Use."

UNHARVESTED PRODUCTION ADJUSTMENT: MAKE NO ENTRY.

GLEANED ACREAGE: Refer to the LAM for information on gleaning.

- J. **Appraised Potential:** Per acre appraisal in standard cartons, to tenths, of POTENTIAL production for the acreage appraised (Part II, item 12 of the Citrus Appraisal Worksheet). Refer to the appraisal methods and applicable appraisal worksheet instructions for additional instructions. If there is no potential on UH acreage, enter "0" (zero).
UNHARVESTED PRODUCTION ADJUSTMENT: Enter the result determined by following the instructions in 10B(6) above if applicable.
- K. **Quality Factor:** Line out "Quality Factor" and insert "Annual Price." Insert the annual price from item 19 of the appropriate Harvested Citrus Production worksheet summary or the price announced by RMA, as appropriate. **UNHARVESTED PRODUCTION ADJUSTMENT:** Enter the dollar amount per carton contained in the Special Provisions.
- L. **Adjusted Potential:** Enter the result (in whole dollars) of multiplying the entry in column "J" by the entry in column "K."
- M. **(+) Uninsured Causes: EXPLAIN IN THE NARRATIVE.**
- a. Hail and Fire exclusion NOT in effect.
 - (1) Enter NOT LESS than the value per acre in whole dollars for any "P" stage acreage. On preliminary inspections, advise the insured to keep harvested production from any acreage damaged SOLELY by uninsured causes separate from other production.
 - (2) For acreage that is damaged PARTLY by uninsured causes, enter the APPRAISED UNINSURED loss of revenue per acre in whole dollars for any such acreage as calculated in item 13 of the appropriate Citrus Appraisal Worksheet. Refer to the LAM for instructions regarding assessing uninsured cause appraisals.
 - b. See the LAM when a Hail and Fire Exclusion is in effect and damage is from hail or fire.
 - c. Enter the result of adding uninsured cause appraisals to hail and fire exclusion appraisals.

For fire losses, if the insured also has other fire insurance (double coverage), refer to the LAM.

- N. **Potential Counted:** Column “L” plus Column “M” (in whole dollars).
- O. **Value per Pound:** Strike through the words “Value per Pound.” Insert the word “Share.” Transfer the entry from Column D.
- P. **Total Potential to Count:** Multiply Column “C” or “C₁” (as applicable for actual acres) by Column “N” and by Column “O”, results rounded to whole dollars. **UNHARVESTED PRODUCTION ADJUSTMENT:** Enter the result shown in column “N.”
- Q. **Per acre:** The dollar amount of insurance per acre, in whole dollars, from the insured’s Summary of Coverage. **UNHARVESTED PRODUCTION ADJUSTMENT: MAKE NO ENTRY**
- R. **Total:** Column “C₂” (reported acres; “C” if acreage is not under-reported) multiplied by Column “Q”, results in whole dollars (e.g., 20.0 x 2,500 = 50,000). **UNHARVESTED PRODUCTION ADJUSTMENT: MAKE NO ENTRY**

16. **Total Acres:**

PRELIMINARY: MAKE NO ENTRY.

FINAL: Total Actual Acres (column “C” [or “C₁” if there are under-reported acres]), to tenths.

FOR ITEM 17. WHEN SEPARATE LINE ENTRIES ARE MADE FOR VARYING SHARES, STAGES, APPROVED REVENUES, TYPES, ETC., WITHIN THE UNIT, AND TOTALS NEED TO BE KEPT SEPARATE FOR CALCULATING INDEMNITIES. MAKE NO ENTRY AND FOLLOW THE INSURANCE PROVIDER’S INSTRUCTIONS; OTHERWISE, MAKE THE FOLLOWING ENTRIES.

17. **Totals:**

PRELIMINARY: MAKE NO ENTRY.

FINAL: Total of Column “Q” and total of Column “R,” results in whole dollars.

NARRATIVE:

If more space is needed, document on a Special Report, and enter “See Special Report.” Attach the Special Report to the Production Worksheet.

- a. If no acreage is released on the unit, enter “No acreage released,” adjuster’s initials, and date.
- b. If notice of damage was given and “No Inspection” is necessary, enter the unit number(s), “No Inspection,” date, and adjuster’s initials. The insured’s signature is not required.
- c. Explain any uninsured causes, unusual, or controversial cases.
- d. If there is an appraisal in Section I, item M for uninsured causes due to a hail/fire exclusion, show the original hail/fire liability per acre and the hail/fire indemnity per acre.

- e. Document the actual appraisal date if an appraisal was performed prior to the adjuster's signature date on the appraisal worksheet and the date of the appraisal is not recorded on the appraisal worksheet.
- f. State that there is "No other fire insurance" when fire damages or destroys the insured crop and it is determined that the insured has no other fire insurance. Also see the LAM.
- g. Explain any errors found on the Summary of Coverage.
- h. Explain any commingled production. See the LAM.
- i. Explain any entry for "Revenue Not to Count" and/or any revenue not included in Section II, item I or item B through E entries.
- j. Explain a "NO" checked in item 19.
- k. Attach a sketch map or aerial photograph to identify the total unit:
 - (1) If consent is or has been given to put part of the unit to another use;
 - (2) If uninsured causes are present; or
 - (3) For unusual or controversial cases.

Indicate on the aerial photo or sketch map, the disposition of acreage destroyed or put to other use with or without consent.
- l. Explain any difference between inspection and signature dates. For an ABSENTEE insured, enter the date of the inspection AND the date of mailing the Production Worksheet for signature.
- m. When any other adjuster or supervisor accompanied the adjuster on the inspection, enter the code number of the other adjuster or supervisor and date of inspection.
- n. Explain any delayed notices or delayed claims as instructed in the LAM.
- o. Document any authorized estimated acres shown in Section I, item C as follows: "Line 3 'E' acres authorized by insurance provider MM/DD/YYYY."
- p. Document the method and calculation used to determine acres for the unit. See the LAM.
- q. Explain if there is no market value for any appraised potential of citrus.
- r. Specify the type of insects or disease when the insured cause of damage or loss is listed as insects or disease. Explain why control measures did not work.
- s. Explain the reason for a "No Indemnity Due" claim. No Indemnity Due claims are to be distributed in accordance with the insurance provider instructions.
- t. Document the name and address of the charitable organization when gleaned acreage is applicable. See Bulletin No. MGR-99-023, dated June 28, 1999, and Bulletin No. MGR-99-023.1, dated October 6, 1999 (or the LAM after bulletins have been incorporated) for more information on gleanings.

- u. Document any other pertinent information, including any data to support any factors used to calculate the production.

SECTION II – HARVESTED PRODUCTION

GENERAL INFORMATION:

- (1) Account for ALL HARVESTED PRODUCTION AND REVENUE FOR THE INSURED PERSON ONLY except production appraised BEFORE harvest and shown in section I because the quantity cannot be determined later.
- (2) For production commercially sold, enter the name and address of processor as applicable in items B through E. For fruit otherwise disposed of, indicate the disposition (sold at roadside stand, etc.).
- (3) If additional lines are necessary, the data may be entered on a continuation sheet. USE SEPARATE LINES FOR:
 - (a) Different FIRST handlers (buyers, packing houses, or processors). The insured must have maintained satisfactory records of ALL production sold. Verify any packinghouse or processor records.

(In all localities) if the first handler was not a packer or processor, the production will be determined by the adjuster on the basis of available records.
 - (b) Varying shares; e.g., 50 percent (50%) and 75 percent (75%) shares on the same unit.
 - (c) Varying determinations of production (varying value, etc.).
 - (d) Varying practices or types/varieties when a separate approved APH yield exists.
- (4) There will generally be no harvested production entries in items A1 through S for preliminary inspections.
- (5) Citrus that cannot be marketed as fresh-packed fruit due to insurable causes will not be considered production to count.

Verify or make the following entries:

**Item
No.**

Information Required

18. **Date Harvest Completed:** (Used to determine if there is a delayed **notice** or a delayed claim. See the LAM.)

PRELIMINARY: MAKE NO ENTRY.

FINAL:

- a. The earlier of the date the ENTIRE acreage on the unit was (1) harvested, (2) totally destroyed, (3) put to other use, (4) a combination of harvested, destroyed, or put to other use, or (5) the calendar date for the end of the insurance period.
- b. If at the time of final inspection (if prior to the end of the insurance period), there is any unharvested insured acreage remaining on the unit that the insured does not intend to complete the harvest, enter “**Incomplete.**”
- c. If at the time of final inspection (if prior to the end of the insurance period), **none** of the insured acreage on the unit has been harvested, and the insured does not intend to harvest such acreage, enter “**No Harvest.**”
- d. If the case involves a Certification Form, enter the date from the Certification Form when the entire unit is put to another use, etc. See the LAM.

19. **Similar Damage:**

PRELIMINARY: MAKE NO ENTRY.

FINAL: Check “Yes” or “No.” Check “Yes” if amount and cause of damage due to insurable causes is similar to the experience of other orchards in the area. If “No” is checked, explain in the narrative.

20. **Assignment of Indemnity:** Check “Yes” **only** if an assignment of indemnity is in effect for the crop year; otherwise, check “No.” Refer to the LAM.

21. **Transfer of Right to Indemnity:** Check “Yes” **only** if a transfer of right to indemnity is in effect for the unit for the crop year; otherwise, check “No.” Refer to the LAM.

- A₁. **Share:** RECORD ONLY VARYING SHARES on SAME unit to three decimal places.

- A₂. **Field ID:**

- a. If only one practice, variety, or type of harvested production is listed in section I, MAKE NO ENTRY.

- b. If more than one practice, variety, or type of harvested production is listed in section I, and a separate approved APH yield exists, indicate for each practice/type/variety the corresponding Field ID (from section I, item “A”).

B.-D. In the column heading, line out Row Width, Tractor, Est. Yield, and enter “Disposition.” Enter the method(s) of disposition (different packers, direct marketed, etc.). Refer to section 9, herein.

- a. When there is Sold/Unsold and Direct Marketed production from the same insured acreage, make separate line entries, as applicable (refer to the example T-P-C Production Worksheet, herein).

E.- F. MAKE NO ENTRY.

G. **Production:** Enter the gross harvested production in cartons, to tenths for each method of disposition.

Cartons may require conversion from the size used by the packing house to the carton sizes defined in the policy. The adjuster should contact the packing house to verify the carton size used (e.g., if the packing house used a 25 pound carton for a particular type of fruit and the carton size specified by the policy is 38 pounds, the adjuster must convert the production to the equivalent of 38 pound cartons before entering the gross harvested production). Refer to the definition for “Carton” in section 2 for standard container sizes and production packed for export.

H₁: **Value Per Pound:** Line out “Pound.” Transfer entry from item 19 on the summary Harvested Production Worksheet for all sold and direct marketed harvested production.

H₂– I: MAKE NO ENTRY.

J. **Production Not to Count:** Line out the word “pounds.” Enter any production not to count in standard cartons to tenths (WHEN ACCEPTABLE RECORDS IDENTIFYING SUCH PRODUCTION ARE AVAILABLE) from harvested acreage damaged solely by uninsured causes, or other sources (e.g., other units or uninsured acreage) in the same storage structure (if the storage entries include such production). THIS ENTRY MUST NEVER EXCEED PRODUCTION SHOWN ON THE SAME LINE. EXPLAIN ANY “PRODUCTION NOT TO COUNT” IN THE NARRATIVE.

K. **Production:** Line out the word “pounds.” Enter the result of Column “G” minus Column “J”, results in whole standard cartons.

L. **Value of Production:** Column “K” multiplied by Column “H₁”, results in whole dollars.

M. MAKE NO ENTRY.

N. **Production/Value to Count:** Transfer entries from item “L”.

FOR ITEMS 22 through 24. WHEN SEPARATE LINE ENTRIES ARE MADE FOR VARYING SHARES, STAGES, ARH APPROVED REVENUES, TYPES, ETC., WITHIN THE UNIT, AND TOTALS NEED TO BE KEPT SEPARATE FOR CALCULATING

INDEMNITIES, MAKE NO ENTRY AND FOLLOW THE INSURANCE PROVIDER'S INSTRUCTIONS; OTHERWISE, MAKE THE FOLLOWING ENTRIES.

22. **Section II Total:**

PRELIMINARY: MAKE NO ENTRY.

FINAL: Enter the total of Column "N" in whole dollars.

23. **Section I Total:**

PRELIMINARY: MAKE NO ENTRY.

FINAL: Enter figure from Section I, Column "P" total.

24. **Unit Total:**

PRELIMINARY: MAKE NO ENTRY.

FINAL: Total of items 22 and 23.

The following required entries are not illustrated on the Production Worksheet examples below.

25. **Adjuster's Signature, Code Number, and Date:** Signature of adjuster, code number, and date signed **after** the insured (or insured's authorized representative) has signed. For an absentee insured, enter adjuster's code number ONLY. The signature and date will be entered **AFTER** the absentee has signed and returned the Production Worksheet.

Final indemnity inspections should be signed on the bottom line.

26. **Insured's Signature and Date:** Insured's (or insured's authorized representative's) signature and date. **BEFORE** obtaining insured's signature, **REVIEW ALL ENTRIES** on the Production Worksheet **WITH THE INSURED**, particularly explaining codes, etc., that may not be readily understood.

Final indemnity inspections should be signed on the bottom line.

27. **Page Numbers:**

PRELIMINARY: Page numbers - "1," "2," etc., at the time of inspection.

FINAL: Page numbers – (Example: Page 1 of 1, Page 1 of 2, Page 2 of 2, etc.).

**T-P-C PRODUCTION WORKSHEET
(FOR ILLUSTRATION PURPOSES ONLY)**

1. Crop/Code# <i>Navel Oranges</i> <i>0215</i>	2. Units <i>00100</i>	3. Legal Description <i>SEC-1 TWP-96N RNG-30W</i>		7. Company <i>Any Company</i>					8. Name of Insured <i>I. M. Insured</i>				
4. Date of Damage <i>Dec 7</i>	<i>Freeze</i>			Agency <i>XYZ Agency</i>					9. Claim # <i>XXXXXXX</i>		11. Crop Year <i>YYYY</i>		
5. Cause of Damage <i>Freeze</i>	<i>100%</i>								10. Policy # <i>XXXXXXXX</i>				
6. Primary Cause %									14. Date(s) Notice of Loss		1st <i>MM/DD/YYYY</i>	2nd <i>MM/DD/YYYY</i>	Final <i>MM/DD/YYYY</i>
12. Additional Units <i>00200</i>									15. Companion Policy(ies)				
13. Est. Prod. Per Acre <i>420</i>													

SECTION I - ACREAGE APPRAISED, PRODUCTION AND ADJUSTMENTS

Actuarial									Potential Yield							Stage Guarantee	
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R
Field ID	Prelim Acres	Final Acres	Interest or Share	Risk	Practice	Type Class Variety	Stage	Intended or Final Use	Appraised Potential	Quality Factor Annual Price	Adjusted Potential	(+) Uninsured Causes	Potential Counted	Value Per Pound Share	Total Potential to Count (C x N x O)	Per Acre	Total (C x Q)
<i>1A_{NS}</i>		<i>5.0</i>	<i>1.000</i>	<i>nnn</i>	<i>002</i>	<i>997</i>	<i>UH</i>	<i>UH</i>	<i>301.7</i>	<i>\$7.211</i>	<i>\$2,176</i>		<i>\$2,176</i>	<i>1.000</i>	<i>\$2,176</i>	<i>\$3,000</i>	<i>\$15,000</i>
<i>2A_{MD NS}</i>		<i>5.0</i>	<i>1.000</i>	<i>nnn</i>	<i>002</i>	<i>997</i>	<i>UH</i>	<i>UH</i>	<i>0.0</i>	<i>\$7.211</i>			<i>\$0</i>	<i>1.000</i>	<i>\$0</i>	<i>\$3,000</i>	<i>\$15,000</i>
<i>3A_{MD NS}</i>		<i>20.0</i>	<i>1.000</i>	<i>nnn</i>	<i>002</i>	<i>997</i>	<i>H</i>	<i>H</i>								<i>\$3,000</i>	<i>\$60,000</i>
							<i>UA</i>		<i>266.5</i>	<i>\$0.70</i>	<i>\$187</i>		<i>\$187</i>		<i>\$187</i>		
16. TOTAL		<i>30.0</i>													<i>\$2,363</i>	17. TOTALS	<i>\$90,000</i>

NARRATIVE (If more space is needed, attach a Special Report)

Acreage verified, permanent orchards.

SECTION II - HARVESTED PRODUCTION

18. DATE HARVEST/SALE COMPLETED <i>Incomplete</i>				19. IS DAMAGE SIMILAR TO OTHER FARMS IN THE AREA? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				20. ASSIGNMENT OF INDEMNITY? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				21. TRANSFER OF RIGHT TO INDEMNITY? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No					
Stalk Inspection							Adjustments to Harvested Production										
A ₁	A ₂	B	C	D	E		F	G	H ₁	H ₂	I	J	K	L	M	N	
Share	Disposition			Leaf Quality		Quota (Q), Non-Quota (NQ), or Bale No.	Production	Value Per Pound/ Carton Local Mkt. Price	Quality Factor (H ₁ ÷ H ₂)	Production Not to Count (lbs.)	Production to Count (lbs.)	Value of Production (\$) (K x H)	Value Not to Count (\$)	Production/ Value to Count			
Field ID	Row Width	Tractor	Est. Yield	G	F										P		
	Buyer / Handler Name						<i>7,885</i>	<i>\$7.211</i>			<i>7,885</i>	<i>\$56,859</i>		<i>\$56,859</i>			

EXAMPLE CLAIM

22. SECTION II TOTAL	<i>\$56,859</i>
23. SECTION I TOTAL	<i>\$2,363</i>
24. UNIT TOTAL	<i>\$59,222</i>

This form example does not illustrate all required entry items (e.g., signatures, etc.).

11. REFERENCE MATERIAL

TABLE A - MINIMUM REPRESENTATIVE SAMPLE REQUIREMENTS

Number of Trees in Acreage:	Select:
Through 1,000 trees	Greater of 5 trees or 1 percent of the number of trees in the plot (for a percentage number ending with .5 or more, round to the next higher whole number).
Over 1,000 trees	3 additional trees per 1,000 (or fraction thereof above 1,000).

NOTES

[illegible]

EXHIBIT 1

A. DETERMINING INSURABLE ACREAGE BY VARIETY

- (1) **Scattered trees** are defined as two or more varieties in a block in no definite planting pattern. Scattered trees of different citrus varieties on a unit will be included in the predominant variety of the unit and will not be listed on separate lines of the acreage report, unless the number of trees of a separate variety exceeds five percent (5%).

Example: A 10.0 acre grove has a total of 900 trees, 860 are Navel and 40 are Valencia. The entire acreage is insurable as Navels. The insurable acreage is 10.0 acres since the Navel trees cover the entire acreage while the Valencia trees are scattered in no definite pattern over the acreage, and represent only four percent (4%) of the total trees.

- (2) **Interplanted** is defined as acreage on which two or more crops are planted in any form of alternating or mixed pattern. Interplanted citrus crops in the same grove will be broken down by crop (for insurance purposes) based on tree spacing, number of trees, and the total acreage involved.

Example 1: A 10.0 acre block contains 700 trees on a 25' x 25' spacing with every even numbered tree or row a Valencia, and every odd numbered tree or row a Navel. Use the total block acreage together with the tree spacing, and planting pattern to determine the insurable acreage of each type. In this example the insurable acreage is 5.0 acres of Valencia, and 5.0 acres of Navel. This interpretation will not change regardless of what the insured elects to insure.

Example 2: A 10.0 acre block contains 700 trees with 25' x 25' spacing in a 3-row pattern with Valencia trees in the first row and Navel trees in the second and third rows. This pattern contains a total of 233 Valencia trees and 467 Navel trees. The insurable acreage would be 3.3 acres Valencia and 6.7 acres Navel.

- (3) Replants of insurable varieties in an established interplanted pattern will not be considered for insurance purposes until the trees reach any insurable age requirements that may be stated in the policy.

B. FREEZE DAMAGED CITRUS DEFINED

Freeze damaged citrus (as defined by the laws of the state in which the county is geographically located) is defined as citrus seriously damaged by freeze as determined by the insurance provider from grove inspections, proof furnished by the insured, or from other evidence that may be available. The California code will apply to the grove inspections in California for fruit which will be packed in Arizona.

C. CALIFORNIA ORANGE LAWS AND PROCEDURES

- (1) **Orange Laws** (applicable portions quoted in part).
- (a) **Freezing Damage.** Damage from freezing to any one fruit is serious if it causes either a condition of (a) "damage on the segment walls" to the extent defined herein, or (b) "drying or desiccation" in "20 percent or more of the exposed pulp as shown on a transverse cut through the center."

- (b) **Damage on Segment Walls.** “Damage on segment walls means a water-soaked appearance, or evidence of previous water soaking, or the presence of crystals or crystalline deposits, on the two surface membranes of each of two or more segments of a section, which section shall not be less than one inch or more than one and one-half inches in thickness, obtained from the center portion of the fruit by cutting off a portion of each end such evidence of freezing injury to show for the entire length but not necessarily the entire area of the surface membranes.”
- (c) **Determination of Extent of Freezing Damage.** “In any season in which freezing damage to oranges produced in California has occurred, the extent of damage by freezing to such oranges shall be determined as follows:
1. By examination for damage on the segment walls from and after the time when the oranges were first exposed to freezing temperatures to the date, herein designated as Date A, when the director, after survey, shall make a determination in writing that the drying process has developed to such extent as to furnish additional evidence of the extent of actual damage to the fruit.”
 2. By examination of the exposed pulp on a transverse cut through the center, from and after the date, herein designated as Date B, when the director, after survey, shall make a determination in writing that the drying process has developed to such extent as to permit reasonably accurate determination of the full extent of freezing damage by such examination, without regard to damage on the segment walls.”
 3. Either by examination for damage on the segment walls or by examination of the exposed pulp on a transverse cut through the center, or by such examination, during the period from Date A to Date B. In no event shall the interval from Date A to Date B exceed three weeks.”
- (d) **Tolerances.** In the case of serious damage by freezing injury, not more than 15 percent, by count, of the oranges in any one container or bulk lot may be below these requirements, but not to exceed one-third of this tolerance shall be allowed for oranges which show a “drying or desiccation” in 40 percent or more of the exposed pulp, as shown on a transverse cut through the center. The total tolerance for a combination of defects shall not exceed the tolerance permitted for any one cause by more than 5 percent by count.”

(2) **Orange Procedures.**

- (a) From the foregoing, it will be noted that the manner in which the determination of the extent of freeze damage is governed by dates established by the Director of Agriculture of the State of California as follows:

PERIOD	METHOD OF DETERMINATION
From and after the time of exposure to freezing temperatures to the establishment of Date A in 1(c)(1) of this section.	By examination for damage on the segment walls.
From and after the establishment of Date B in 1(c)(2) of this section.	By examination of the exposed pulp on a transverse cut through the center.
During the interval (not exceeding three weeks) from Date A to Date B.	By either or both of the above methods.

- (b) Regulations of the Department of Agriculture for California provide that during the interval from Date A to Date B, if an individual orange is found to have less damage than “serious damage due to freezing” by one method of examination, it shall also be examined for damage by the other method; and, the total of the seriously damaged oranges found by both methods shall be the number of seriously damaged oranges in the sample examined.
- (c) Dates A and B are established each season by emergency regulation of the California Director of Agriculture as needed.
- (d) For further information on freezing injury, it is suggested that adjusters secure current publications from the California Department of Agriculture or the California Agricultural Experiment Station.

D. POLICY REGARDING FROST PROTECTION EQUIPMENT

- (1) **Protection Rates.** The minimum requirements for frost protection rates are in the Special Provisions. A grove may meet minimum equipment requirements, however, this does not automatically qualify the grove for the frost protection rate. The Special Provisions also state that frost protection rates are applicable only to acreage adequately protected by frost protection equipment. This includes a minimum of 40 serviceable heaters per acre or serviceable wind machine(s) that provide a minimum of 5 propeller horsepower per acre in California.

The adequacy of frost protection equipment will vary depending on grove location, air drainage, cultivation practices, elevation, tree size, etc. One consideration is the ability of wind machines to reach all or essentially all the insured acreage in the grove. Groves with well-placed frost equipment are eligible for frost protection rates. The adjuster will determine whether frost protection equipment was properly utilized.

- (2) **Equipment Adequacy.** The grove inspector will evaluate the adequacy of the frost protection equipment at inspection time. The following guidelines will be used in making determinations as to the adequacy of frost protection equipment.
 - (a) Wind machines should have the ability to move air at 4 miles per hour. Wind machines brake or propeller horsepower per acre is the best indicator for determining the adequacy of frost protection in a grove. Other considerations such as propeller length and shape; wind machine placement in the grove; and the area covered by wind machines are all important in determining equipment adequacy. Five to eight propeller (brake) horsepower per acre is the recommended standard for frost protection under normal conditions (minimum standards in California 5 horsepower per acre). Regardless of horsepower, one wind machine generally can service no more than ten acres.
 - (b) Heater type, number, and placement, on a per acre basis, is an indicator as to the adequacy of frost protection in a grove. Heater requirements could be reduced by the type of heater utilized. Return stack and spot heaters are recognized to be the most efficient types. Heaters should conform to district air pollution control regulations. Inspect heaters to determine if they are in working condition. The Special Provisions specify that a minimum of 40 serviceable heaters per acre are required to qualify for the frost protection rate.