



United States Department of Agriculture

Farm and Foreign Agricultural Services
Risk Management Agency

BULLETIN NO.: MGR-99-027

TO: All Reinsured Companies
All Risk Management Agency Field Offices

FROM: Kenneth D. Ackerman /s/ Ken Ackerman 8-3-99
Administrator

SUBJECT: Insuring Nursery Tree Stock for the 2000 and Succeeding Crop Years

BACKGROUND:

The Eligible Plant List and Plant Price Schedule (EPL/PPS) designate eligibility of nursery plants for insurance coverage under the Nursery Crop Insurance Program and provide prices for determining inventory value. Coniferous evergreen trees (CE) and deciduous trees (DT) are two plant types for which base prices are provided by the EPL/PPS.

The Base Price Tables for CE and DT designate price and eligibility for insurance coverage starting at a minimum height of 6 inches for the 1999 crop year. However, the tables for these types were revised for the 2000 crop year to designate price and eligibility for insurance coverage starting at a minimum height of 18 inches.

A number of requests have been received to reinstate coverage of CE and DT starting at a minimum height of 6 inches for the 2000 crop year to accommodate tree species that are commercially sold for reforestation. These trees are field grown, priced, and marketed as bare root plants in the 6-to 18-inch height range. Depending on the species, sales for reforestation purposes are typically in units of 100, 500, or 1,000 plants.



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

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ACTION:

1. The base price tables for CE and DT in the Eligible Plant List and Plant Price Schedule for the 2000 and succeeding crop years are amended to add an additional high/wide size CE and DT that are at least 6 inches tall but less than 18 inches tall. Trees less than 6 inches tall are not insurable.
2. One base price will be provided for all CE trees and another for all DT trees that are within the new height range. Rounding rules do not apply within this range. For example, a 17 ½-inch tree belongs in the range and must not be rounded to or priced as an 18-inch tree.
3. The nursery appraisal software for crop year 2000 and succeeding crop years will be amended to support nursery inventory valuations that include CE and DT nursery stock in this new height range.
4. Coverage is limited to irrigated, field-grown trees eligible for insurance in the county in which they are grown and, in the case of carryover policies, for which a new inventory Value Report is submitted for crop year 2000.
5. The base price for all CE trees that are at least 6 inches tall but less than 18 inches tall, will be \$0.10 per tree, and for DT trees in this same height range, the price will be \$0.24 per tree.
6. Appendix C of the EPL/PPS provides instructions for calculating the insurance price for each individual species of tree using the base prices provided above. The lower of the calculated price or the grower's lowest wholesale catalog price will be the insurance price for each tree in the new range.

DISPOSAL:

This bulletin is for the purpose of transmitting/updating information and the expiration date is December 31, 2000.