



United States Department of Agriculture

Farm and Foreign Agricultural Services
Risk Management Agency

November 27, 1998

INFORMATIONAL MEMORANDUM: R&D-98-065

TO: All Reinsured Companies
All Risk Management Agency Field Offices
All Other Interested Parties

FROM: Tim B. Witt /s/ Roberta E. Waggoner (for)
Deputy Administrator

SUBJECT: Strawberry Pilot Program Participation

BACKGROUND:

The Risk Management Agency (RMA) is developing a pilot insurance program for strawberries. The National Agricultural Statistics Service reports the value of U. S. strawberry crops averaged nearly \$800 million during the last 5 years (1993-97). California accounted for about half the harvested acreage and 75 percent of the value of strawberry production (\$600 million). Other strawberry-producing States include Florida (\$120 million), Oregon (\$25 million), New York (\$12 million), and North Carolina (\$10 million). Strawberry crops in Michigan, Washington, Pennsylvania, Louisiana, and Wisconsin averaged \$5 to \$7 million.

Strawberries are grown primarily for fresh sales in most States, except Oregon and Washington, where most are grown for packaging as frozen sales. Cultural practices vary considerably between Northern and Southern States. In California, Florida, and North Carolina, strawberries are grown as annual crops under intense management practices. In Northern States, strawberries are generally grown as a perennial crop.

RMA Regional Service Office (RSO) personnel have found significant interest in an insurance program during focus group meetings with growers and handlers in California. Major perils include frost and freeze damage, excessive rain that prevents timely harvest or promotes fungal diseases, and excessive heat that reduces fruit set.



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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:

A strawberry feasibility study can be obtained by contacting the Research and Evaluation Division at (816) 926-6343. Insurance providers or other parties wanting to participate in the development of a strawberry pilot insurance program should select a representative from their organization to work with RMA on this product and provide the representative's name, address, and phone number to Kathy Tiefel, the Project Manager, by November 30, 1998, at the following address:

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