



United States Department of Agriculture

Farm and Foreign Agricultural Services
Risk Management Agency

August 14, 2000

INFORMATIONAL MEMORANDUM: R&D-00-037

TO: All Reinsured Companies
All Risk Management Agency Field Offices

FROM: Kenneth D. Ackerman /s/ *Kenneth D. Ackerman*
Administrator

SUBJECT: Peaches in Georgia and South Carolina: Conversion from Indexed-APH to Standard APH (plan code 90)

BACKGROUND:

The National Agricultural Statistics Service (NASS) recently informed the Risk Management Agency (RMA) that it can no longer provide county peach yield data for Georgia because there are so few growers remaining in the State that releasing the data would jeopardize the confidentiality of growers' records. Consequently, RMA will no longer be able to create the index used for the Georgia peach program.

In addition, dissatisfaction with the Indexed-APH plan has been expressed in both South Carolina and Georgia because there is a 2 year lag between the NASS data and the first crop year to which it can be applied. Growers who had higher yields when the county average was low, complained that they could not use their higher yields because of this lag period.

Since it is no longer feasible to offer the Indexed-APH plan, it must be withdrawn in these two States for peaches and replaced by standard APH (i.e. plan code 90). In accordance with section 508 (g) (4) (A) of the recently amended Federal Crop Insurance Corporation (FCIC) Act, all yields less than 60 percent of the T-yield would be replaced by 60 percent of the T-yield. This will generally protect insureds from adverse yield impacts.



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All Programs Authorized Under the Federal Crop Insurance Corporation

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ACTION:

Therefore, in South Carolina and Georgia, and beginning with the 2001 crop year, FCIC will no longer offer coverage based on Indexed-APH for peaches. Coverage amounts will be determined using standard APH (i.e. plan code 90).

DISPOSAL:

This memorandum is for informational purposes and can be disposed of on December 31, 2001.