SUPPLEMENTAL UNDERWRITING INSTRUCTIONS
CITRUS DOLLAR PLAN PILOT PROGRAM

1. The FCIC 18010 Crop Insurance Handbook (CIH) generally applies to Citrus Dollar Plan crops, with the exception of the changes or additions referenced in these guidelines.

2. Citrus Dollar Plan crops are Category D. Sections 1 - 3 of the CIH apply to Citrus Dollar Plan crops except where related to APH yield reporting or approval processes for other than Category D crops.

SECTION 4 (NACAT⇒MINIMUM VALUE OPTIONS)

4E The FCIC approved Citrus Minimum Value Option:

(a) Permits the insured to select either Option I or Option II of the Minimum Value Option for citrus crops given by the Special Provisions and for which the actuarial table designates rates.

(b) New insureds must select the option on their application. Carryover insureds select the option on a contract change form submitted on or before the sales closing date of the first crop year in which the option will be in effect. Optional coverage becomes continuous after selection and must be canceled in accordance with the policy provisions. Cancellation dates are given by the Citrus Dollar Plan Crop Provisions.

(c) FCIC approved Citrus Dollar Plan Crop Provisions must be in force and all the terms and conditions of the policy adhered to.

(d) Option I and II of the Minimum Value Option allow the total value of the harvested production to be determined as follows:

(1) For sold production, the dollar amount obtained by subtracting the allowable cost contained in the Special Provisions from the average net price received for each carton of citrus Dollar Plan crops (this result may not be less than the modified minimum value option price contained in the Special Provisions for any carton of citrus fruit), and multiplying this result by the cartons of citrus sold; and

(2) For marketable production that is not sold, the dollar amount obtained by multiplying the cartons of such citrus on the unit by the minimum value shown on the Special Provisions that applies without regard to the choice of the minimum value option. Harvested production that is damaged or defective due to insurable causes and is not marketable will not be counted as production.⇒NACAT)

3. Procedures for perennial crops in Sections 5 and 7 of the FCIC 18010, Crop Insurance Handbook that refer to establishing and verifying individual yield histories are generally not applicable to Citrus Dollar Plan crops. Differences are itemized below and indicated on the following APH Procedure Comparison & Reference Guide. The following procedures are to be used in conjunction with and in addition to the referenced paragraphs contained in the indicated sections of the Crop Insurance Handbook.
<table>
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<tr>
<th>APH (MPCI)</th>
<th>Citrus Dollar Plan</th>
<th>CIH REFERENCES</th>
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<tr>
<td>Approved Yields</td>
<td>No</td>
<td>Not Applicable (NA)</td>
</tr>
<tr>
<td>Preliminary Yields</td>
<td>No</td>
<td>NA</td>
</tr>
<tr>
<td>Acreage Determinations</td>
<td>Yes</td>
<td>See CIH Sec 7 D(3)</td>
</tr>
<tr>
<td>Base Periods</td>
<td>No</td>
<td>NA</td>
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<tr>
<td>Production Reports by Unit (Basic or Optional)</td>
<td>Yes</td>
<td>NA</td>
</tr>
<tr>
<td>Separate APH by P/T/V</td>
<td>No</td>
<td>NA</td>
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<td>Separate APH by Map Area</td>
<td>No</td>
<td>NA</td>
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<tr>
<td>“T” Yields (FCI-35)</td>
<td>No</td>
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<tr>
<td>Variable T Yield</td>
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<td>Assigned Yields</td>
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<td>Temporary Yields</td>
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<td>NA</td>
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<td>Block Production Worksheets &amp; Unit Summary Worksheets</td>
<td>No</td>
<td>NA</td>
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<tr>
<td>Yield Descriptors</td>
<td>No</td>
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<td>Cups, Caps, Yield Floors</td>
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<tr>
<td>High-Risk Land Exclusion</td>
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<tr>
<td>Added Insurable Acres</td>
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<tr>
<td>Added Land</td>
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<tr>
<td>Production Reporting Date</td>
<td>Yes</td>
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<tr>
<td>Use of Another Producer’s Records</td>
<td>Yes</td>
<td>See CIH Sec 10 E</td>
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<td>Producer’s Pre-Acceptance Worksheet</td>
<td>Yes</td>
<td>See CIH Sec 7E</td>
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<tr>
<td>Pre-Acceptance Perennial Crop Inspection</td>
<td>Yes</td>
<td>See CIH Sec 7F &amp; G</td>
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<tr>
<td>Crop Addendum</td>
<td>Yes</td>
<td>See CIH Sec 7G &amp; Exhibit 16</td>
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SECTION 7  CATEGORY C APH CROPS (PERENNIALS)

7E  Producers Pre-Acceptance Worksheet (PAW)

(3) Completion Instructions. All instructions for PAW completion that are not related to APH apply. The following supplemental instructions also apply.

Item No. (10): Instructions relating to the block production worksheet are not applicable to Citrus Dollar Plan crops.

Item No. (20): Insurability requirements are specified on the Special Provisions.

Item No. (21): Enter the highest yield (cartons per acre) during one of the most recent three years.

Item No. (22): Relate this question to the entries in column 21.

Certification Statement: Edit the second sentence by replacing a recomputation of the approved APH yield with a declaration of uninsurability.

7F Pre-Acceptance Field Inspections

(1) Required Pre-Acceptance Field Inspections: Inspections are required on ten percent of the Citrus Dollar Plan policies in effect. If less than ten percent satisfy the criteria for inspection, select additional policies beginning with the policy with the largest number of acres. A new inspection is required only if the most recent pre-acceptance inspection is more than 10 years old. Instructions for APH yield determination by the RMA, ROs are not applicable.

(2) Preacceptance Field Inspection Selection Criteria: (a) and (b) do not apply; (c), (d), and (e) refer to responses to the PAW, and inspections are required if the insured indicates productivity is reduced, an organic or unconventional farming practice is carried out, or the irrigation water supply is not adequate.

7G The Pre-Acceptance Perennial Crop Inspection Report and Crop Addendum Worksheets (FCI-12-P)

(1) Item No. (29) of the Inspection Report: Refers to the yield shown in Block 21 of the Producers Pre-Acceptance Worksheet (FCI-12 PAW), the highest yield.

(2) Crop Addendum Worksheets: Use the Almond/Citrus/etc. Crop Addendum Worksheet (Exhibit 16, page 291)

7H - 7L: Not applicable to Citrus Dollar Plan crops.
SECTION 8 CATEGORY D, DOLLAR PLAN CROPS

8 B(1) **Eligible Crops:** California Citrus Dollar Plan crops, . . . .

8 B(2) **Plan Description**

2(a) **(NACAT)** Insurance Units: Citrus Dollar Plan crops may be divided into more than one unit if, for each proposed unit:
(1) the insured maintains written, verifiable records of citrus production for at least the previous crop year; and
(2) acreage of the insured crop is located on non-contiguous land.«NACAT»

2(b) **Documentation of Production.** Cooperative pool statements, pool summary statements, receipts from packing houses, processors, or other buyers showing quantities (delivered and sold) are acceptable supporting evidence to verify the acreage meets the minimum production requirements for insurability. For direct sales to consumers, a complete daily accounting of harvested production is acceptable to verify the amount of production. Pick records are acceptable only if they meet the criteria as outlined in the CIH in Section 10 C(4).

2(c) **Limits on Insurance:** Since the California Citrus Dollar Crop Provisions for 2002 refer in Section 3 (d) to the reference maximum dollar amount which is no longer printed on the FCI-35, An alternative way of stating the limits on insurance is:

We will limit your amount of insurance based on your prior production. If you have produced at least 600 cartons per acre in one of the most recent three years, you may purchase an amount of insurance equal to any of the fixed dollar amounts shown on the actuarial documents.

If your highest level of production per acre in one of the most recent three years has been less than 600 cartons and at least 300 cartons, your amount of insurance will be equal to the fixed dollar amount you select from the actuarial document times your highest per acre production divided by 600.

For example, if the highest yield was 450 cartons per acre and the prospective insured selected a fixed dollar amount of $1,734, the amount of insurance would be limited to: $1,734 x 450/600 = $1,301 per acre.

6 **CIH Sections 9, 10, & 14 DO NOT APPLY TO Citrus Dollar Plan crops.**
## PREMIUM CALCULATION EXAMPLE
### CITRUS DOLLAR PLAN PILOT PROGRAM

**Base Premium:**

1. **Enter the Fixed Dollar Amount of Insurance** per acre selected by the producer from the amounts given by the FCI-35.  
   $1,530

2. **Calculate the Production Factor.** If the highest yield in the most recent three years was more than 300 and less than 600 cartons per acre, divide the highest yield by 600. If the yield was 600 cartons or more enter 1.000.  
   \[450/600 = 0.750\]

3. **Enter the Total Amount of Insurance**, determined by multiplying the Dollar Amount of Insurance per acre, selected by the producer from the amounts given by the FCI-35, times the production factor.  
   \[\$1,530 \times 0.750 = \$1,148\]

4. **Enter the Total Guarantee**, determined by multiplying the amount of insurance by the acres insured by the share.  
   \[\$1,148 \times 10.0 \text{ acres} \times 0.50 = \$5,740\]

5. **Enter the Base Premium Rate** for the Dollar Amount of Insurance selected by the producer (item 1.)  
   0.067

6. **Enter the Rate Map Area Adjustment Factor**, if one is given in the FCI-35 County Actuarial Table, else enter 1.000.  
   \[\text{area 003 in Kern County}\]  
   1.100

7. **Enter the option factor** from the Common Option Factor Table given in the FCI-35 County Actuarial Table that reflects any discounts applicable to the policy and options selected by the producer, else enter 1.000.  
   \[[\text{basic unit discount/with frost protection/hail fire exclusion/min. value opt. I}]\]  
   0.948

8. **Enter the Total Premium** determined by multiplying item 4, item 5, item 6, and item 7.  
   \[\$5,740 \times 0.067 \times 1.100 \times 0.948\]  
   401

**Producer Premium:**

9. **Enter 1.00 minus the Premium Subsidy Factor** from the Subsidies and Fees table in the FCI-35. Use the factor that corresponds to the coverage level associated with the Dollar Amount of Insurance selected (item 1.).  
   0.45

10. **Enter the Producer Premium**, determined by multiplying item 6 by item 7.  
    \[\$401 \times 0.45\]  
    180

*This worksheet is intended only to assist in estimating Producer Premium.*