

UNDERWRITING STANDARDS
RASPBERRY AND BLACKBERRY DOLLAR PLAN PILOT PROGRAM

- 1 The FCIC 18010 Crop Insurance Handbook (CIH), in general applies to Raspberries and Blackberries.
 - A Raspberries and Blackberries are a Category D Crops.
 - B The changes/additions/references to the CIH described here apply to Raspberries and Blackberries in the sections noted.
- 2 Sections 1 - 3 of the CIH apply to Raspberries and Blackberries except where related to APH yield reporting or approval processes for other than Category D crops, unless related to instructions provided below. [e.g., definition of Production Reporting Date (PRD) applies as related to 5B (4)].
- 3 **(NACAT^o Raspberry and Blackberry Modified Minimum Value Option**, FCIC approved Raspberry and Blackberry Modified Minimum Value Option.
 - (a) Permits the insured to select either Option I or Option II of the Modified Minimum Value Option for Raspberry and Blackberry types given by the Special Provisions and for which the actuarial table designates rates.
 - (b) If an option is elected, new insureds must elect the option on their applications. For carryover insureds, the option must be elected on a contract change form and submitted on or before the sales closing date for the initial crop year in which the insured wishes the option to be effective. This is a continuous option and the cancellation provisions in the Raspberry and Blackberry policy apply. Cancellation dates are given by the Raspberry and Blackberry Crop Provisions.
 - (c) FCIC approved Raspberry and Blackberry Crop Provisions must be in force and all the terms and conditions of the policy apply.
 - (d) Option I and II of the Modified 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 from the average net price received for each unit of measure of Raspberries and Blackberries (this result may not be less than the modified minimum value Option I or II price contained in the Special Provisions that you elect for any unit of measure of berries), and multiplying this result by the number of units of measure of berries sold; and
 - (2) For marketable production that is not sold, the dollar amount obtained by multiplying the number of units of measure of such Raspberries and Blackberries on the unit by the Standard Minimum Value price that applies without regard to the choice of the Modified Minimum Value Option.

[NOTE: Determination of ‘sold’ or ‘not sold’ is applied on a bulk basis (Example: load or lot).] » **NACAT**)
- 4 Procedures for perennial crops in Sections 5 and 7 of the FCIC 18010, CIH that refer to establishing and verifying individual yield histories are generally not applicable to Raspberries and Blackberries. Differences are itemized below and indicated on the CIH Procedure Comparison &

Reference Guide. Though Raspberries and Blackberries are Category D crops, the following procedures are to be used in conjunction with and in addition to the referenced paragraphs contained in the indicated sections of the CIH.

Not applicable = NA.

A UNDERWRITING RESPONSIBILITIES (SECTION 5)

CIH
Paragraph
Reference

5A (1) Inform applicants/insureds of requirement to provide information for policy underwriting.

5A (2) (b) Applies.

5A (9) Applies.

5A (10) (b) and (c) Applies.

5A (12) Applies.

5B (4) Applies.

5D (6) Applies.

B CATEGORY C PROCEDURES FOR PERENNIAL CROPS (SECTION 7)

CIH
Paragraph
Reference

7A (1) - (3) Applies.

7 B & C Applies.

7D General Instructions applies.

7D (3) Applies.

7E Producer's Pre-Acceptance Worksheet (PAW) - Required (See CIH Section 7E for instructions).

(3) Supplemental Completion Instructions. All CIH 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 NA for Raspberries and Blackberries.

Item No. (13):

Enter both the variety and rootstock.

Item No. (20):

Note whether or not the acreage shown on the line is insurable or uninsurable. Insurability requirements are specified in the policy and/or on the Special Provisions.

Item No. (21):

Enter the highest yield (crates or pounds per acre, as shown in the Special Provisions) during one of the most recent three years. Use of another person's records is acceptable to verify the production capability of the acreage.

Item No. (22):

Relate this question to the entries in column 21.

Item No. (25):

CERTIFICATION STATEMENT: Edit the second sentence by striking 'may result in a recomputation of the approved APH yield' and inserting 'may result in a lower amount of insurance per acre or a declaration of uninsurable'.

7F Pre-Acceptance Field Inspection Selection Criteria.

Instructions for APH and/or RMA RO yield determination in this section are NA.

(1) (a) Applies

(c) Applies as follows:

New Insured: An inspection is required.

New or Carryover Insured & Selected by Pre-Acceptance Field Inspection
Criteria: An inspection is required if the most recent pre-acceptance field
inspection is more than FIVE years old.

New or Carryover Insured & Damage Has Occurred or Cultural Practices Have
Been Performed that will reduce the insured's crop production from previous levels:
An inspection is required.

(2) Pre-acceptance Field Inspection Criteria. Applies as follows:

(c) Productivity is reduced ... , i.e., if the insured answered YES to Question 22 on the PAW.

(d) An organic or unconventional farming practice is carried out ... , i.e., if the insured answered YES to Question 23 on the PAW.

(e) The irrigation water supply is not adequate. ... , i.e., if the insured answered NO to Question 24 on the PAW.

(g) If the percent stand reported by the producer (column 17 of the FCI-12-PAW) is less than 80 percent in Oregon and Washington.

(h) On at least 10% of the policies.

(3) Applies, except guidelines for forwarding to RO are not applicable.

(4) Applies.

(5) (a) Inspectors must complete cane inspections and forward all documents to insurance providers by 30 calendar days after the PRD.

(6) through (8) apply

7G The Pre-Acceptance Perennial Crop Inspection Report (FCI-12-P) and Crop Addendum Worksheets. Instructions for APH and/or yield determination are not applicable for Raspberries and Blackberries. The following supplemental instructions apply for Raspberries and Blackberries:

(2) Item No. (27) For Oregon and Washington only:
Change column heading in A to: Based on the number of canes from the original planting pattern. Change column headings in A.(1) to Less Than 40%, 40 - 59%, 60 - 79%, and 80 - 100%. Rows A.(2) and (3) are NA.

Item No. (29)

Use yield shown in Block 21 of the PAW when considering whether or not canes have sufficient vigor to produce the yield shown in Block 21 of the PAW.

(3) Crop Addendum Worksheets Use the FCI-12-PAW (Grape/Table Grape) Crop Addendum Worksheet (See CIH, Exhibit 16, 1D).

Item No. (13)

Describe the varietal planting pattern.

7H - 7L: NA for Raspberries and Blackberries.

5 Category D, Dollar Plan Crops

8 A NA

8 B(1) **Eligible Crops:** Raspberries and Blackberries, . . . (See instructions in Section 7 (D) - (G) of the CIH which apply for Raspberries and Blackberries).

8 B(2) **Plan Description.**

This plan offers the producer the opportunity to select one of several dollar amounts of insurance per acre. The available coverage elections and the rates are indicated on the actuarial table. Use any maps or supplemental listings included in the actuarial materials to determine the coverage options and premium rates.

(NACAT^o NOTE: Production reports are not required to qualify for optional units. Exception: Raspberries and Blackberries may be divided into more than one unit if, for each proposed (optional) unit:

2(a) Records. The insured maintains written, verifiable records of Raspberry and Blackberry production for at least the previous crop year; and

2(b) Non-contiguous Land. The acreage of insured Raspberries and Blackberries is located on non-contiguous land, separated by tracts of other ownership.» NACAT).

8 B (5) **Raspberries and Blackberries**

8 B(5)(a) Supporting Evidence for Use When Verifying if Acreage Meets the Minimum Production Requirements for Insurability.

Production: Cooperative pool statements, pool summary statements, receipts from packing houses, processors, or other buyers showing quantities (delivered and sold) and preharvest estimates of production certified by neutral third parties not involved in the insurance contract are acceptable supporting documentation. 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).

Acreage: The same as that used for reporting acreage for insurability, according to CIH, section 7 D (3). In addition, insurable acreage using ‘alternate year’ production technique (vs. ‘every year’ technique) is reportable as uninsurable acreage as appropriate on the acreage report. For example:

Field 1A - 5.0 Ac. Every Year Harvest	Field 1B - 5.0 Ac. Every Other Year Harvest (Even Years)
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Field 1 is 10.0 acres. Five acres (field 1A) is producing using ‘every year’ technique, five acres (field 1B) is ‘alternate year’ (harvest in even numbered years) technique.

Acreage Report:	2001	Field 1A; 5.0 ac. insurable, Field 1B; 5.0 ac. uninsurable
	2002	Fields 1A and 1B; 10.0 ac. insurable
	2003	Field 1A; 5.0 ac. insurable, Field 1B; 5.0 ac. uninsurable
	2004	Fields 1A and 1B; 10.0 ac. insurable
	Etc.	

8 B(5)(b) In California, the guarantee (amount of insurance) will be limited based on prior production, as specified on the Special Provisions of Insurance. For example:

(Special Provision statement EXAMPLE)

Coverage Level:	CAT	$\frac{50}{2000}$	$\frac{55}{2300}$	$\frac{60}{2600}$	$\frac{65}{2900}$	$\frac{70}{3200}$	$\frac{75}{3500}$
Amount of Insurance (\$/ac):	1100						

We will limit your guarantee (amount of insurance) based on your prior production. For any acreage:

If you have produced the minimum production per acre for the type insured in one of the most recent three years, you may purchase any fixed dollar amount of insurance as shown on the FCI-35. If your highest production per acre in the most recent three years has been less than the minimum production by type, your amount of insurance is equal to the fixed dollar amount you selected times the ratio of your highest per acre production divided by the minimum production for the type.

Thus, if the highest yield in the most recent three crop years for the acreage was 1600 crates per acre and the minimum production requirement is 1840 and your coverage level is 60 percent, which provides \$2600/acre liability, the amount of insurance for the affected acreage will be determined as follows (example):

$$\begin{aligned} & \$2600 \text{ /acre} \times (1600 \text{ lbs/ac divided by } 1840 \text{ lbs/acre}) = \$ 2262 \text{ per acre.} \\ & \text{(Guarantee Reduction Factor} = 1600/1840 = .870) \end{aligned}$$

Guarantee Reduction Factor is reported on the Type11 record for Data Acceptance System purposes. Report 1.000 (if minimum production requirement has been met) as 000 because there are only three digits in the Guarantee Reduction Field and it will be edited to 1.000.

NOTE: Mutual Consent Cancellation provisions may apply only if liability is limited based on pre-acceptance inspection.

8 B(5)(c) In Oregon and Washington; the amount of insurance available is limited for units where live plants based on the initial (or acceptable adjusted) planting density occupy less than 80 percent of the unit acreage (item 27 of insured's Pre-Acceptance Perennial Crop Inspection Report). An example of an acceptable adjusted planting density is when the insured initially planted with 10 feet between rows and 3 feet between plants within rows and removed every other plant, i.e. the planting density is adjusted from 1452 plants per acre (43560 divided by 10 divided by 3) to 726 plants per acre (43560 divided by 10 divided by 6). For units with reduced plant density, coverage is limited during acreage reporting by using the applicable 'Guarantee Reduction Factor' shown below:

<u>Percent Stand</u>	<u>Selected Coverage Level (%)</u>	<u>Guarantee Reduction Factor</u>
80 to 100	50 to 75	1.000
60 to 79	75	0.867
	70	0.929
	50 to 65	1.000
40 to 59	75	.667
	70	.714
	65	.769
	60	.833
	55	.909
	50	1.000
Less than 40	50 to 75	Uninsurable

Guarantee Reduction Factor (above) is reported on the Type11 record for Data Acceptance System purposes. Report 1.000 as 000 because there are only three digits in the Guarantee Reduction Field and it will be edited to 1.000.

NOTE: Mutual Consent Cancellation provisions may apply only if liability is limited based on pre-acceptance inspection.

6 **CIH Sections 9, 10 [except as referenced in item 21 of section 7 E(3) and in section 8 B(5)(a)], & 14 DO NOT APPLY TO Raspberries and Blackberries.**

RASPBERRY & BLACKBERRY DOLLAR PLAN PILOT PROGRAM

CIH PROCEDURE COMPARISON & REFERENCE GUIDE

APH (MPCI)	Raspberries and Blackberries	CIH REFERENCES
Approved Yields	No	Not Applicable (NA)
Preliminary Yields	No	NA
Acreage Determinations	Yes	See CIH Sec 7 D(3)
Base Periods	No	NA
Production Reports by Unit (Basic or Optional)	No	NA
Separate APH by P/T/V	No	NA
Separate APH by Map Area	No	NA
“T” Yields (FCI-35)	No	NA
Variable T Yield	No	NA
Assigned Yields	No	NA
Temporary Yields	No	NA
Block Production Worksheets & Unit Summary Worksheets	No	NA
Yield Descriptors	No	NA
Cups, Caps, Yield Floors	No	NA
High-Risk Land Exclusion	No	NA
Added Insurable Acres	No	NA
Added Land	No	NA
Production Reporting Date (To Certify Prior Yield and Information on Acreage)	Yes	See CIH Sec 7E and Supplemental Instructions for Raspberries & Blackberries
Use of Another Producer’s Records	Yes	See CIH Sec 10 E (1) (a)
Producer’s Pre-Acceptance Worksheet	Yes	See CIH Sec 7E and Supplemental Instructions for Raspberries & Blackberries
Pre-Acceptance Perennial Crop Field Inspection	Yes	See CIH Sec 7F/G and Supplemental Instructions for Raspberries & Blackberries

APH (MPCI)	Raspberries and Blackberries	CIH REFERENCES
Crop Addendum	Yes	See CIH Sec 7G, Exhibit 16 and Supplemental Instructions for Raspberries & Blackberries
Liability Limitations	Yes	See Supplemental Instructions for Raspberries & Blackberries, Sec. 8 (b) (5) (b) and (c)
Mutual Consent Cancellation	Yes	See Supplemental Instructions for Raspberries & Blackberries, Sec. 8 (b) (5) (b)
Separate Instructions by Crop	Yes	See Supplemental Instructions for Raspberries & Blackberries, Sec. 8 (b) (5)

PREMIUM CALCULATION EXAMPLE
Raspberry and Blackberry DOLLAR PLAN PILOT PROGRAM

Base Premium:

- | | | |
|--|----|---------|
| 1. Enter the Dollar Amount of Insurance (\$/Ac.) for the appropriate type and practice and coverage level. (Example: \$2,100 / acre for 70% coverage level) | 1. | \$2,100 |
| 2. Enter the Selected Coverage Level , corresponding with the selected amount of insurance (.75, .70, .65, .60, .55, or .50). | 2. | .70 |
| 3. Enter the Applicable Guarantee Reduction Factor , based on the live canes or low production listed in the underwriting guide. | 3. | 0.867 |
| 4. Enter the Base Premium Rate for the <u>applicable</u> type, practice and coverage level, etc. (Example: .133) | 4. | .133 |
| 5. Enter the Estimated Insurable Acreage for the appropriate type and practice. (Example: 10.0 acres) | 5. | 10.0 |
| 6. Enter the Crop Share for the Acreage (decimal format, 3 places). (Example: 100% = 1.000) | 6. | 1.000 |
| 7. Calculate the Reduced Amount of Insurance (liability per acre) , item 1 times item 3. ($\$2,100 \times 0.867$) | 7. | \$1,821 |
| 8. Calculate the Total Base Premium , item 7 times item 4 times item 5 times item 6. ($\$1,821 \times .133 \times 10.0 \times 1.000$) | 8. | \$2,422 |

Producer Premium:

- | | | |
|---|-----|-------|
| 9. Enter 1.00 minus the Premium Subsidy Factor for the selected coverage level from the fee and subsidy table on the FCI-35 Coverage and Rate Table. (Ex. for 70% coverage level = $1.00 - .59 = .41$). | 9. | 0.41 |
| 10. Calculate the Estimated Producer Premium , determined by multiplying item 8 times item 9. ($\$2,422 \times 0.41$) | 10. | \$993 |

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

**PREMIUM CALCULATION EXAMPLE
Raspberry and Blackberry DOLLAR PLAN PILOT PROGRAM**

Base Premium:

1. **Enter the Dollar Amount of Insurance (\$/Ac.)** for the appropriate type and practice and coverage level. 1.
2. **Enter the Selected Coverage Level**, corresponding with the selected amount of insurance (.75, .70, .65, .60, .55, or .50). 2.
3. **Enter the Applicable Guarantee Reduction Factor**, based on the live canes or low production listed in the underwriting guide. 3.
4. **Enter the Base Premium Rate** for the applicable type, practice and coverage level, etc. 4.
5. **Enter the Estimated Insurable Acreage** for the appropriate type and practice. 5.
6. **Enter the Crop Share for the Acreage** (decimal format, 3 places). 6.
7. **Calculate the Reduced Amount of Insurance (liability per acre)**, item 1 times item 3. 7.
8. **Calculate the Total Base Premium**, item 7 times item 4 times item 5 times item 6. 8.

Producer Premium:

9. **Enter 1.00 minus the Premium Subsidy Factor** for the selected coverage level from the fee and subsidy table on the FCI-35 Coverage and Rate Table. 9.
10. **Calculate the Estimated Producer Premium**, determined by multiplying item 8 times item 9. 10.

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