

INFORMATIONAL MEMORANDUM: IS-16-002

DATE July 29, 2016

TO: All Approved Insurance Providers
All Risk Management Agency Field Offices
All Other Interested Parties

FROM: Robert Ibarra, Deputy Administrator for Insurance Services /s/ Robert Ibarra
7/29/2016

SUBJECT: Valuing Tart Cherry Crop Production on Diverted Acreage

Background

In June, the Cherry Industry Administrative Board (CIAB) that administers the Federal Tart Cherry Marketing Order estimated a large 2016 tart cherry crop and announced diversion provisions on the crop for supply control.

On July 8, 2016 fruit crops in northern Michigan were impacted by a significant hail storm. Reports indicate varying degrees of damage has occurred to the tart cherry crop and has resulted in questions regarding how production on diverted acreage of tart cherries is valued.

Action

Insureds who suffer a crop loss should notify their crop insurance agent immediately. The Approved Insurance Provider (AIP) can send a loss adjuster to discuss the insured's options and work the claim.

For tart cherry acreage that may be diverted: The Actual Revenue History (ARH) Tart Cherry Crop Pilot Provisions require the insured to notify the AIP within 2 days of any decision to divert any part of your crop under the in-orchard diversion provisions of the Federal Tart Cherry Marketing Order for supply control. The insured's AIP has the option to accept the CIAB assessment of marketable tart cherries or complete their own appraisal for tart cherries with diverted acreage.

Annual price for diverted production: The marketable in-orchard diverted production will be valued at 80 percent of the annual price. The annual price is defined in the Actual Revenue History (ARH) Tart Cherry Pilot Crop Provisions.

DISPOSAL DATE:

November 1, 2016