

MGR-20-025

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Date

August 27, 2020

To

All Approved Insurance Providers

All Risk Management Agency Field Offices

All Other Interested Parties

From

Martin R. Barbre, Administrator

Subject

Conversion of the Pistachio Program to Permanent Status and Other Changes
Effective for the 2021 and Succeeding Crop Years

Background

The Pistachio Insurance Program has been piloted to determine acceptance by producers as an effective and affordable risk management tool and to assure the program is actuarially sound. The Federal Crop Insurance Corporation Board of Directors (Board) granted approval for the conversion of the program from pilot to permanent status based on the favorable pilot program experience on March 5, 2020.

The Farm Service Agency (FSA) uses the Risk Management Agency (RMA) designation of pilot or permanent program in their consideration of Noninsured Crop Disaster Assistance Program (NAP) availability. NAP availability is not impacted until the subsequent year if the RMA notification of conversion to permanent status is issued less than 90 days before the next NAP application date. NAP availability will solely be determined by the FSA.

In addition to the conversion to a permanent program, RMA is also implementing program improvements including:

- Added provisions to allow written agreements.
- Clarification of “Set out year,” which is the actual calendar year for acreage grafted before July 1, or the calendar year following grafting when grafting occurs after July 1.
- Clarification of how the price election and percent of price election are used to determine the amount of coverage for this two-year policy.

Action

The Pistachio program was determined by the Board to be permanent after the pilot testing was complete for crop year 2021.

DISPOSAL DATE:

December 31, 2021