

**SUMMARY OF CHANGES FOR THE  
CALIFORNIA AVOCADO CROP PROVISIONS (26-0019)  
(Released August 2024)**

The following is a brief description of changes to the Crop Provisions that will be effective for the 2026 and succeeding crop years. California avocado is a two-year policy and the 2026 crop year encompasses all policies earning premium when insurance attaches after the contract change date of August 31, 2024. Please refer to the Crop Provisions for more complete information.

- Introductory Paragraph – Clarified that the California Avocado Crop Provisions are attached to and made part of the Common Crop Insurance Policy, Basic Provisions;
- Section 1 – Clarified the definition “crop year” is in lieu of the definition in the Basic Provisions;
- Section 2 – Allowed optional units by organic and non-organic farming practices;
- Section 3 – In paragraph (d), clarified the specific method and timing of actions that will be taken if any circumstances occur that may reduce approved yields and approved revenue from previous levels;
- Section 8(b)(2) – Moved to clause to make language succinct; and
- Throughout the policy – Removed the phrase “the provisions of.”

UNITED STATES DEPARTMENT OF AGRICULTURE  
Federal Crop Insurance Corporation  
CALIFORNIA AVOCADO CROP PROVISIONS



In return for your payment of premium and administrative fee for coverage, these California Avocado Crop Provisions will be attached to and made part of the Common Crop Insurance Policy, Basic Provisions (Basic Provisions) subject to the terms and conditions in your policy.

**1. Definitions**

**CDFA** - The California Department of Food and Agriculture.

**Commercial sale** - Any transaction in which avocados have been inspected under the rules of the CDFA and to which a marketing assessment payment applies under the Hass Avocado Promotion, Research, and Information Act of 2000.

**Crop year** - In lieu of the definition contained in section 1 of the Basic Provisions, the period of time that begins on December 1 immediately prior to the time the avocado trees normally bloom and that ends on October 31 of the calendar year following such bloom. Crop year is designated by the calendar year following the year in which the avocado trees normally bloom.

**Harvest** - Picking of marketable avocado fruit from the trees or from the ground when permitted as described in section 11(c).

**Initially apply** - Your application for crop insurance under these Crop Provisions for the first time and following each time you have cancelled the insurance or the insurance has terminated by action of the policy.

**Interplanted** - In lieu of the definition contained in section 1 of the Basic Provisions, acreage in which two or more crops are planted in any form of an alternating or mixed pattern.

**Marketable** - An avocado fruit that meets the standards published by the CDFA with respect to maturity, defects, size, and weight.

**No. 2 avocado** - An avocado fruit that is marketable but that is diverted into processing uses due to visual defects resulting from an insured cause of loss.

**Pound** - A unit of weight equal to sixteen ounces avoirdupois.

**Rootstock** - The root and stem portion of a tree to which a scion can be grafted.

**Scion** - Twig or portion of a twig of one plant that is grafted onto a rootstock.

**Set out** - Transplanting a tree into the orchard or grafting a scion onto rootstock.

**Stumping** - A practice whereby the lateral branches of an avocado tree are removed. A portion of the bole also may be removed. The resulting stump is approximately 4 feet or greater in height.

**Type** - A term used to designate different varieties of avocados, as more fully described in the Special Provisions.

**2. Unit Division**

(a) Optional units may be established by:

- (1) Organic and non-organic farming practices as provided in section 34(c)(3) of the Basic Provisions;

(2) Non-contiguous land; or

(3) Type.

- (b) Optional units by land location as provided in section 34(c)(1) of the Basic Provisions and irrigation practice as provided in section 34(c)(2) of the Basic Provisions are not applicable.

**3. Insurance Guarantees, Coverage Levels, and Prices**

In addition to the requirements of section 3 of the Basic Provisions:

- (a) You may select only one coverage level for all the avocados in the county insured under this policy.
- (b) You must report, on or before the production reporting date designated in section 3 of the Basic Provisions, by unit:
  - (1) Any damage, stumping (including the year or years that the stumping was performed), or removal of trees; change in orchard practices; or any other circumstance that may reduce the expected yield per acre to less than the approved yield and the number of affected acres and trees;
  - (2) The number of trees on insurable and uninsurable acreage;
  - (3) The age of the trees;
  - (4) Any acreage excluded under section 6 of these Crop Provisions; and
  - (5) For acreage interplanted with another crop:
    - (i) The age of the interplanted crop, and type if applicable;
    - (ii) The planting pattern; and
    - (iii) Any other information we request to establish your approved yield per acre.
- (c) We will reduce the approved yield, as necessary, based on your estimate of the effect of any circumstance listed in section 3(b) that may reduce your yields from previous levels. If you fail to notify us of any circumstance that may reduce your yields from previous levels, we will reduce your approved yield at any time we become aware the circumstance. If the circumstance occurred:
  - (1) Before the beginning of the insurance period and you notify us by the production reporting date, the approved yield will be reduced for the current crop year regardless of whether the circumstance was due to an insured or uninsured cause of loss;
  - (2) After the beginning of the insurance period and you notify us by the production reporting date, the approved yield will be reduced for the current crop year only if the potential reduction in the approved yield is due to an uninsured cause of loss; or
  - (3) Before or after the beginning of the insurance period and you fail to notify us by the production

reporting date, an amount equal to the reduction in the approved yield will be added to the production to count calculated in section 11(c)(1)(ii) due to uninsured causes. We will reduce your approved yield for the subsequent crop year to reflect any reduction in the productive capacity of the trees or in the yield potential of the insured acreage.

- (d) In the event the avocado trees are damaged to the extent that we determine the APH history you certified no longer is representative of the potential production of the unit, we will reduce your approved yield to a level consistent with that reduced potential. Such reduction will not occur for a crop year for which insurance already has attached if the damage is due to a cause of loss that is insurable for the avocado fruit.
- (e) Instead of reporting your production for the current crop year as required by section 3(f)(1) of the Basic Provisions, you are required to report the production for the crop year that ended on the October 31 immediately preceding the cancellation date, e.g., 2023 crop year production must be reported by the production reporting date for the 2025 crop year.
- (f) When you initially apply for insurance:
  - (1) You must certify your production records for at least the most recently completed crop year;
  - (2) If you do not certify your production records for any one or more of the three crop years immediately prior to the most recently completed crop year, you will be assigned a percentage of the transitional yield included in the actuarial documents for that crop year. The percentages will be those described in sections 3 and 5 of the Basic Provisions. All other provisions of sections 3 and 5 of the Basic Provisions apply.

#### **4. Contract Changes**

In accordance with section 4 of the Basic Provisions, the contract change date is the August 31 that precedes the cancellation date.

#### **5. Cancellation and Termination Dates**

In accordance with section 2 of the Basic Provisions, the cancellation and termination dates are the November 30 immediately prior to the first day of the crop year.

#### **6. Insured Crop**

- (a) In accordance with section 8 of the Basic Provisions, the crop insured will be all the avocados in the county grown on insurable acreage, and for which premium rates are provided:
  - (1) In which you have a share;
  - (2) That is grown for harvest as avocado fruit for commercial sale;
  - (3) That is a type identified in the actuarial documents;
  - (4) That is irrigated; and
  - (5) That is grown on trees that, if inspected, are considered acceptable to us.
- (b) In addition to section 8 of the Basic Provisions that identify an uninsurable crop, we do not insure any avocados produced on trees that have not reached the sixth leaf year unless the unit has produced an average of at least 2,000 pounds of avocados per acre in one of the most recent three crop years or as

otherwise specified in the Special Provisions.

- (c) Avocado trees that have been stumped are not insurable for three calendar years after the year stumping was performed. The calendar year stumping occurred will be considered to be the actual calendar year if performed between January 1 and June 30 of that year. It will be considered to be the following calendar year if performed between July 1 and December 31.

#### **7. Insurable Acreage**

- (a) In lieu of that part of section 9 of the Basic Provisions that prohibits insurance attaching to a crop planted with another crop, avocados interplanted with another perennial crop are insurable unless we inspect the acreage and determine it does not meet the requirements of insurability contained in these Crop Provisions.
- (b) In addition to the acreage designated as not insurable in section 9 of the Basic Provisions, we will not insure avocados produced on any acreage infected with Phytophthora root rot unless you follow good orchard management practices as recommended by agricultural experts.

#### **8. Insurance Period**

- (a) In accordance with section 11 of the Basic Provisions:
  - (1) Coverage begins on December 1st of the crop year.
  - (2) The calendar date for the end of the insurance period is the second October 31st of the crop year.
- (b) In addition to section 11 of the Basic Provisions:
  - (1) If you acquire an insurable share in any insurable acreage on or before the acreage reporting date of any crop year, and if we inspect and consider the acreage acceptable, insurance will be considered to have attached to such acreage on the calendar date for the beginning of the insurance period.
  - (2) If you relinquish your insurable interest on any acreage of avocados on or before the acreage reporting date of any crop year, insurance will not be considered to have attached to and no premium will be due, and no indemnity paid, for such acreage for that crop year unless:
    - (i) A transfer of right to an indemnity or a similar form approved by us is completed by all affected parties;
    - (ii) We are notified by you or the transferee in writing of such transfer on or before the acreage reporting date; and
    - (iii) The transferee is eligible for crop insurance.

#### **9. Causes of Loss**

- (a) In accordance with section 12 of the Basic Provisions, insurance is provided against unavoidable loss of production due to the following causes of loss occurring within the insurance period:
  - (1) Adverse weather conditions;
  - (2) Fire, unless weeds and other forms of undergrowth have not been controlled or pruning debris has not been removed from the orchard;
  - (3) Insects and disease, but not damage due to insufficient or improper application of control measures;

- (4) Wildlife;
  - (5) Earthquake;
  - (6) Volcanic eruption; or
  - (7) Failure of the irrigation water supply due to an insured cause of loss specified in sections 9 (a)(1) through (6).
- (b) In addition to the causes of loss excluded in section 12 of the Basic Provisions, we will not insure against damage or loss of production due to:
- (1) Theft;
  - (2) Phytophthora root rot, if you do not maintain cultural practices to minimize the potential for damage due to this pathogen; or
  - (3) Inability to market the avocados for any reason other than actual physical damage from an insurable cause specified in this section. For example, we will not pay you an indemnity if you are unable to market any avocado fruit due to quarantine, boycott, or refusal of any person to accept such fruit.

### 10. Duties in the Event of Damage or Loss

In addition to the requirements of section 14 of the Basic Provisions:

- (a) If any portion of your crop will be direct marketed, you must notify us at least 15 calendar days before any production will be harvested. We will conduct an inspection and appraisal, if needed, that will be used to determine your production to count for such production. If damage occurs after this inspection, we will conduct one or more additional inspections as needed. These inspections, and any acceptable records provided by you, will be used to determine your production to count. Failure to give timely notice as required will result in production to count determined as described in section 11(c) if we are not able to determine the amount of such production;
- (b) If you intend to claim an indemnity on any unit, you must notify us immediately so we may inspect the unit. You must not sell or otherwise dispose of any damaged production until we have given you written consent to do so, or 15 days, whichever is earlier. If you fail to meet the requirements of this subsection all such production will be considered undamaged and included as production to count;
- (c) We will not perform any appraisals of potential production earlier than the July that follows the bloom for the crop year; and
- (d) You must notify us immediately if you intend to stump 10 percent or more of the trees on a unit after insurance has attached for the crop year.

### 11. Settlement of Claim

- (a) We will determine your loss separately for each unit you defined on your acreage report or that we find to exist in accordance with section 2 of these Crop Provisions. If you do not or cannot provide acceptable records of production for the crop year for:
  - (1) Any optional unit, we will combine all optional units for which such records were not provided; or
  - (2) Any basic unit, we will allocate commingled production to each basic unit in proportion to our liability on the harvested acreage for each unit.
- (b) In the event of loss or damage covered by this policy,

we will settle your claim by:

- (1) Multiplying the insured acreage by the production guarantee;
  - (2) Subtracting from the result of section 11(b)(1) the total production to count (see section 11(c));
  - (3) Multiplying the result in section 11(b)(2) by the price election, by the price election factor, and by your share.
- (c) The total production to count from all insurable acreage on the unit will include the value of all appraised and harvested production, as follows:
- (1) Appraised production to be counted will include:
    - (i) Not less than the production guarantee per acre for acreage:
      - (A) That is abandoned;
      - (B) That is sold or otherwise disposed by direct marketing if you failed to provide the notice required by section 10 and we were not able to determine the amount of such production;
      - (C) That is damaged solely by uninsured causes; or
      - (D) For which you fail to provide production records that are acceptable to us;
    - (ii) Potential production lost due to uninsured causes;
    - (iii) Unharvested marketable production (the quantity of such production may be reduced as described in section 11(d));
    - (iv) Potential production on insured acreage you intend to put to another use or abandon, if you agree to our appraisal of such production. Upon such agreement, the insurance period for that acreage will end when you put the acreage to another use or abandon the crop. If agreement on the appraised production is not reached:
      - (A) If you do not elect to continue to care for the crop, we may give you consent to put the acreage to another use if you agree to leave intact, and provide sufficient care for, representative samples of the crop in locations acceptable to us. The production to count for such acreage will be based on the greater of the harvested production or our appraisal in accordance with section 15(b) of the Basic Provisions from the samples at the time harvest should have occurred. If you do not leave the required samples intact, or fail to provide sufficient care for the samples, our appraisal made prior to giving you consent to put the acreage to another use will be used to determine the production to count; or
      - (B) If you elect to continue to care for the crop, the production to count for the acreage will be based on the greater of harvested production or our reappraisal in accordance with section 15(b) of the Basic Provisions if additional damage occurs and the crop is not harvested; and

- (2) All marketable harvested production (the quantity of such production may be reduced as described in section 11(d)). Any production that is not marketable due to an insured cause of loss will not be included in the production to count.
- (d) The quantity of appraised and harvested marketable production may be reduced if the production is considered to be a No. 2 avocado and the price of such marketable production is less than 75 percent of the maximum price election. The quantity of such production will be multiplied by an adjustment factor equal to the lesser of 1.00 or the price of the damaged avocados divided by the maximum price election.

**12. Late and Prevented Planting**

Sections 16 and 17 of the Basic Provisions do not apply to these Crop Provisions.

**13. Example of Your Insurance Protection**

You certify production records that support the yields per acre shown below:

YEAR	YIELD/ACRE
1	4,559
2	2,978
3	10,112
4	2,014
5	2,420

AVERAGE (APPROVED) Yield = 4,417 lbs.

Assume you selected the 65 percent coverage level. The unit contains 10 acres. The production guarantee per acre is:  
 $4,417 \times 65\% = 2,871$  lbs. per acre

The production guarantee for the unit is:  
 $2,871 \times 10$  acres = 28,710 lbs.

Assume further that the price election is \$0.90 per lb. The liability (amount of insurance) for the unit is equal to:  
 $28,710$  lbs.  $\times$  \$0.90 = \$25,839

Assume the unit produced 15,000 lbs. Your share is 100 percent.

The indemnity is calculated as follows:

$2,871 \times 10$  acres = 28,710 lbs.

$28,710$  lbs. - 15,000 lbs. = 13,710 lbs.

$13,710$  lbs.  $\times$  \$0.90  $\times$  1.000 = \$12,339.