United States Department of Agriculture

Federal Crop Insurance Corporation

Risk Management Agency

Product Administration and Standards Division

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FCIC-25020-1 (07-2011)
FCIC-25020-2 (08-2012)

ALMOND LOSS ADJUSTMENT STANDARDS HANDBOOK

2013 and Succeeding Crop Years

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250

TITLE: ALMOND LOSS ADJUSTMENT STANDARDS HANDBOOK	**NUMBER: FCIC-25020 (9-2010) FCIC-25020-1 (7-2011) FCIC-25020-2 (8-2012)**
EFFECTIVE DATE: 2013 and succeeding crop years	**ISSUE DATE: August 30, 2012**
Subject: **Provides the procedures and instructions for administering the Almond crop insurance program.**	**OPI: Product Administration and Standards Division**
	APPROVED: August 30, 2012 **/S/ Tim B. Witt** **Deputy Administrator for Product Management**

REASONS FOR AMENDMENT

Major Changes: See changes or additions in text which have been highlighted. Three asterisks (***) indicate where information has been removed.

A. Section 5B(3), page 6: Clarified that nuts damaged by uninsured causes are to be recorded on a separate Appraisal Worksheet.

B. Section 5C(2), page 7: Clarified that an actual appraisal of unharvested acreage may not be necessary when conducting a Representative Harvested Acreage Appraisal, as long as the harvested acreage can be verified as being representative of the unharvested acreage.

C. Section 7B(3), page 8: Modified this paragraph to allow (not required) separate appraisal worksheets for sub-orchards as applicable, leaving it up to AIP discretion.

D. Section 8C, Narrative items m and n, page 21: Corrected item m by separating it into two items.

E. Production Worksheet, page 26: Corrected entry in item 39.

F. Exhibit 1, page 30: Clarified the example in this Exhibit.

SUMMARY OF CHANGES/CONTROL CHART (continued)

Control Chart For: Almond Loss Adjustment Standards Handbook							
	SC Page(s)	TC Page(s)	Text Page(s)	Reference Material	Exhibit(s)	Date	Directive Number
Remove	1-2		5-6 7-8 21-22 25-26	 29	 30	7/2011 9/2010 7/2011 7/2011 9/2010	FCIC-25020-1 FCIC-25020 FCIC-25020-1 FCIC-25020-1 FCIC-25020
Insert	1-2		5-8 21-22 25-26	 29	 30	 8/2012	 FCIC-25020-2
Current Index	1-2	 1-2	 1-4 5-8 9-10 11-12 13-14 15-16 17-20 21-22 23-24 25-26	 27-28 29	 30	8/2012 9/2010 8/2012 7/2011 9/2010 7/2011 9/2010 7/2011 8/2012 7/2011 8/2012 9/2010 8/2012	FCIC-25020-2 FCIC-25020 FCIC-25020-2 FCIC-25020-1 FCIC-25020 FCIC-25020-1 FCIC-25020 FCIC-25020-1 FCIC-25020-2 FCIC-25020-1 FCIC-25020-2 FCIC-25020 FCIC-25020-2

FORMULA:

$$\frac{\text{Number of Rows Planted to a Single Variety}}{\text{Total Rows in the Planting Pattern}} = \text{Percent Variety in Unit or Plot, Round to Nearest Whole Percent}$$

EXAMPLE:

A 20.0 acre orchard is planted to three varieties (Variety 1, Variety 2, and Variety 3) in a four row pattern (1-1-1-1). The first row is Variety 1, the second and fourth rows are Variety 2, and the third row is Variety 3. Variety distribution is as follows:

Variety 1 = 1 row ÷ 4 rows = .25 or 5.0 acres
Variety 2 = 2 rows ÷ 4 rows = .50 or 10.0 acres
Variety 3 = 1 row ÷ 4 rows = .25 or 5.0 acres

D. HANDLING APPRAISAL DISCREPANCIES

If the insured disagrees with the appraisal, make arrangements for leaving representative trees UNHARVESTED and for inspecting those trees when the almonds are ready to harvest (harvest-appraisal). The adjuster and insured should jointly determine the trees to be selected for this representative sample. Make a sketch map of the orchard and mark the sample trees by row number and tree count within the chosen row. An adjuster must be present when the representative trees are harvested.

5. APPRAISAL METHODS

A. GENERAL INFORMATION

These instructions provide information on appraisal methods for:

Appraisal Method.....	Use....
Nut Count Appraisals	to appraise nuts on the tree prior to harvest that are taken from representative sample trees.
Representative Tree Appraisals	the production from representative trees to determine the appraisal.
Harvested Acreage Appraisals	the average yield per acre from harvested acreage as the appraisal per acre for unharvested acreage.

B. NUT COUNT APPRAISAL METHOD

(1) Use the Fig/Nut Tree Appraisal Worksheet to record nut counts taken from sample trees (refer to section 4 B above for sampling requirements).

(2) Determine the percent of acreage occupied by each variety for the acreage being appraised (see section 4C).

(3) By variety, count the total number of nuts on the sample trees, including nuts damaged by uninsured causes. Record nut counts on the Fig/Nut Tree Appraisal Worksheet. Nuts damaged by uninsured causes are to be recorded on a separate Appraisal Worksheet (see section 7C, Item 10).

(4) Total the number of nuts from all sample trees and divide by the number of trees in the sample.

(5) Divide the result from (4) above by the nut size factor (from **TABLE B**) for the variety being appraised to determine the average pounds of nuts per tree.

(6) Next multiply by the number of bearing trees per acre to determine the number of whole pounds of nuts per acre for the variety.

(7) If more than one variety is on the acreage being appraised, multiply the number of whole pounds of nuts per acre for each variety by the percent determined in (2) above to determine the number of whole pounds of nuts per acre by variety.

(8) Add the number of pounds of nuts per acre for all varieties to determine the appraised number of whole pounds of nuts per acre. Transfer the appraisal per acre to column 31 or column 37 of the Production Worksheet for uninsured cause of damage appraisals after multiplying by the number of acres in item 19 on the PW (refer to section 8 below).

C. HARVESTED APPRAISAL METHODS

(1) **Representative Tree Appraisals:** When representative harvested almond trees are used for the appraisal, the adjuster and insured will jointly select representative sample trees that reflect the type and severity of insured crop damage in the unit/orchard. The adjuster will make arrangements with the insured to do a field inspection while the insured harvests the selected representative sample trees. During the field inspection, the adjuster will:

(a) Determine the amount of appraised potential production on each sample tree as described in section 5 B above, and

(b) Document the amount of potential appraised production on the appraisal worksheet as described in section 7 below.

(2) **Representative Harvested Acreage Appraisals:** DO NOT USE THIS METHOD if the unharvested acreage will be harvested. Use this method to determine potential production when more than 50 percent of the acreage in the unit is harvested, and only when the harvested acreage can be verified as being representative of the unharvested acreage.

(a) Prior to harvest, estimate the amount of potential gross production on the unharvested representative acreage.

(b) Compare the estimate for the unharvested acreage determined in (a) above to the actual gross production from the harvested acreage. If the estimated potential production is comparable to the harvested gross production, use the average yield per acre from the harvested acreage as the per acre appraisal for the unharvested acreage; otherwise, use the appraisal procedures specified in section B herein.

(c) Document in the Remarks section or on a Special Report how the unharvested acreage appraisal was determined, including but not limited to the estimation method and calculations used to determine both the unharvested acreage potential and resulting appraisal.

6. APPRAISAL DEVIATIONS AND MODIFICATIONS

A. DEVIATIONS

Deviations in appraisal methods require RMA written authorization (as described in the LAM) prior to implementation.

B. MODIFICATIONS

There are no pre-established appraisal modifications contained in this handbook (refer to the LAM for additional information).

7. APPRAISAL WORKSHEET ENTRIES AND COMPLETION PROCEDURES

A. APPRAISAL WORKSHEET FORM STANDARDS

(1) The entry items in subsection 7 C are the minimum requirements for the Fig/Nut Tree Appraisal Worksheet used for the almond nut count appraisal method. All entry items are "Substantive," (i.e., they are required).

(2) Appraisal Worksheet Completion Instructions. The completion instructions for the required entry items on the appraisal worksheet in the following subsection are "Substantive," (i.e., they are required).

(3) The Privacy Act and Nondiscrimination statements are required statements that must be printed on the form or provided to the insured as a separate document. These statements are not shown on the example form in this section. The current Privacy Act and nondiscrimination statements can be found on the RMA website.

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(4) Refer to the Document and Supplemental Standards Handbook (DSSH), FCIC-24040; for other crop insurance form requirements (e.g., font point size, etc.).

B. GENERAL INFORMATION FOR WORKSHEET ENTRIES AND COMPLETION INFORMATION

(1) Include the AIP's name in the appraisal worksheet title if not preprinted on the AIP's worksheet, when a worksheet entry is not provided.

(2) Include the claim number on the appraisal worksheet (when required by the AIP) when a worksheet entry is not provided.

(3) Separate appraisal worksheets are required for each unit and orchard, or sub-orchard as applicable, and for uninsured cause of damage appraisals. Use separate lines for each variety on the acreage being appraised. Refer to section 4 B for sampling instructions.

(4) Standard appraisal worksheet items are numbered consecutively in subsection 7 C. An example worksheet is also provided to illustrate how to complete all entries, except the last three items on the appraisal worksheet.

C. WORKSHEET ENTRIES AND COMPLETION INFORMATION

Verify or make the following entries:

Item No.	Information Required
	Company: Name of AIP, if not preprinted on the worksheet (company name).
	Claim Number: Claim number as assigned by the AIP.
1.	**Insured's Name:** Name of insured that identifies EXACTLY the person (legal entity) to whom the policy is issued.
2.	**Policy Number:** Insured's assigned policy number.
3.	**Unit No.:** Unit number from the Summary of Coverage after it is verified to be correct.
4.	**Crop:** "Almonds."
5.	**Acres Appraised:** Total number of determined acres, to tenths, being appraised in the unit.
6.	**Crop Year:** Four-digit crop year, as defined in the policy, for which the claim is filed.
7.	**Orch. ID:** Orchard or sub-orchard identification symbol.
8.	**Variety:** Variety name of trees in the acreage being appraised.

other use with or without consent.

l. Explain any difference between inspection and signature dates. For an ABSENTEE insured, enter the date of the inspection AND the date of mailing the Production Worksheet for signature.

m. When any other adjuster or supervisor accompanied the adjuster on the inspection, enter the code number of the other adjuster or supervisor and date of inspection.

n. Explain the reason for a "No Indemnity Due" claim. "No Indemnity Due" claims are to be distributed in accordance with the AIP's instructions.

o. Explain any delayed notices or delayed claims as instructed in the LAM.

p. Document any authorized estimated acres shown in column "19" as follows: "Line 3 'E' acres authorized by AIP MM/DD/YYYY."

q. Document the method and calculation used to determine acres for the unit. Refer to the LAM.

r. Specify the type of insects or disease when the insured cause of damage or loss is listed as insects or disease. Explain why control measures did not work.

s. Document the name and address of the charitable organization when gleaned acreage is applicable. Refer to the LAM for more information on gleaning.

t. For production ordered destroyed by a Federal or State agency due to the presence of injurious substances or conditions, document the following:

   (1) Explain any ".000" factor entered in columns 35 and 65.

   (2) A description of the injurious substance or condition for which a destruction order was issued. The circumstances that caused the crop to be affected by an injurious substance or condition, the date the crop was destroyed and the method of destruction. Attach to the claim the insured's completed Certification Form, a copy of the destruction order issued by the Federal or State agency and (if applicable) a copy of the laboratory test results that confirms the presence of injurious substances or conditions.

   (3) Refer to the LAM for additional documentation requirements.

u. Document any other pertinent information, including any data to support any factors used to calculate the production. If on an attachment, enter "see attachment."

v. Record the number of trees removed without an inspection.

SECTION II – DETERMINED HARVESTED PRODUCTION

GENERAL INFORMATION:

(1) When all acreage has been harvested, determine total production from warehouse receipts,

packer/processor receipts, or farm management records (refer to the LAM for farm record requirements) verified by the adjuster and supported by written records from the first handler. This production will be the basis for computing losses from the insured and uninsured causes of damage on the Production Worksheet.

(2) Account for **ALL HARVESTED PRODUCTION** (for **ALL ENTITIES** sharing in the crop) except production appraised **BEFORE** harvest and shown in Section I because the quantity cannot be determined later.

(3) For production commercially stored or sold, enter the name and address of storage facility, buyer, packinghouse, or processor as applicable in columns 49 through 52.

(4) If additional lines are necessary, the data may be entered on a continuation sheet. USE SEPARATE LINES FOR:

(a) Separate storage facilities or warehouse;

(b) Different buyers, packinghouses, or processors. The insured must have maintained satisfactory records of ALL production sold or stored. Verify any storage facility, warehouse receipts, farm management records, packinghouse or processor records against written records from the first handler. In all localities, if the first handler was not a packinghouse or processor, the production will be determined by the adjuster on the basis of available records (refer to the LAM for farm record requirements);

(c) Varying shares; e.g., 50 percent and 75 percent shares on same unit; and

(d) Harvested production from more than one insured practice and a separate approved APH yield has been established for each, the harvested production also must be entered on separate lines in columns 47 through 66 by practice. If production has been commingled, refer to the LAM.

(5) There will generally be no harvested production entries in columns 47 through 66 for preliminary inspections.

Verify or make the following entries:

Item No.	**Information Required**
43.	**Date Harvest Completed: (Used to determine if there is a delayed notice or a delayed claim. Refer to the LAM.)**

PRELIMINARY: MAKE NO ENTRY.

FINAL:

a. The earlier of the date the ENTIRE acreage on the unit was:

(1) harvested;

PRELIMINARY: MAKE NO ENTRY.

FINAL: Total of all column 66 entries in whole meat pounds.

69. **Section I Total:**

PRELIMINARY: MAKE NO ENTRY.

FINAL: Total of all Section I column 38 entries.

70. **Unit Total:**

PRELIMINARY: MAKE NO ENTRY.

FINAL: Item 68 plus item 69, in whole meat pounds.

71. **Allocated Prod.:** Refer to the LAM Par. 126 C (1-3) and 127, for instructions for determining allocated production. Enter the total production, in whole meat pounds, allocated to this unit that is included in Sections I or II of the Production Worksheet. Document how allocated production was determined and record supporting calculations in the Narrative or on a Special Report.

72. **Total APH Prod.:** Result, in whole meat pounds, of subtracting the total of column 37 (item 42 "Totals") and item 71 (Allocated Prod.) from item 70 (Unit Total). If no entries in column 37 and item 71, transfer the entry in item 70. MAKE NO ENTRY when separate APH yields are maintained by type, practice, etc., within the unit.

The following required entries are not illustrated on the Production Worksheet example below.

73. **Insured's Signature and Date:** Insured's (or insured's authorized representative's) signature and date. BEFORE obtaining the signature, REVIEW ALL ENTRIES on the Production Worksheet WITH THE INSURED (or the insured's authorized representative), particularly explaining codes, etc., which may not be readily understood. Final inspection should be signed on the bottom line.

74. **Adjuster's Signature, Code Number, and Date:** Signature of adjuster, code number, and date signed after the insured (or insured's authorized representative) has signed. For an absentee insured, enter adjuster's code number ONLY. The signature and date will be entered AFTER the absentee has signed and returned the Production Worksheet. Final inspections should be signed on the bottom line.

75. **Page Numbers:**

PRELIMINARY: Page numbers – "1," "2." etc, at the time of inspection.

FINAL: Page numbers - (Example: Page 1 of 1, Page 1 of 2, Page 2 of 2, etc.)

PRODUCTION WORKSHEET

1. Crop/Code #	2. Unit #	3. Location Description	7. Company / Agency	8. Name of Insured
Almonds 0028	*0001-0001-OU*	*SW1-96N-30W*	Company: *Any Company* Agency: *Any Agency*	*I. M. Insured*

4. Date(s) of Damage	*June 12*				
5. Cause(s) of Damage	*Hail*				
6. Insured Cause %	*100%*				
12. Additional Units	*0001-0002-OU*				
13. Est. Prod. Per Acre	*1200*				

(Illustration Purposes Only)

9. Claim # *XXXXXXX*	11. Crop Year *YYYY*
10. Policy # *XXXXXX*	
14. Date(s) Notice of Loss	1st *MM/DD/YYYY* · 2nd · Final *MM/DD/YYYY*
15. Companion Policy(s)	

SECTION I – DETERMINED ACREAGE APPRAISED, PRODUCTION AND ADJUSTMENTS

A. ACTUARIAL / **B. POTENTIAL YIELD**

16. Field ID	17. Multi-Crop Code	18. Reported Acres	19. Determined Acres	20. Interest or Share	21. Risk	22. Type	23. Class	24. Sub-Class	25. Intended Use	26. Irr Practice	27. Cropping Practice	28. Organic Practice	29. Stage	30. Use of Acreage	31. Appraised Potential	32a. Moisture % / 32b. Factor	33. Shell %, Factor, or Value	34. Production Pre QA	35. Quality Factor	36. Production Post QA	37. Uninsured Causes	38. Total to Count
A	*NS*		*16.0*	*1.000*		*997*				*002*			*UH*	*UH*	*564*			*9024*		*9024*		*9024*
B	*NS*		*18.0*	*1.000*		*997*				*002*			*H*	*H*								
C	*NS*		*10.0*	*1.000*		*997*				*002*			*H*	*H*							*5500*	*5500*
39. TOTAL			*44.0*													42. TOTALS		*9024*		*9024*	*5500*	*14524*

40. Quality: TW ☐ KD ☐ Aflatoxin ☐ Vomitoxin ☐ Fumonisin ☐ Garlicky ☐ Dark Roast ☐ Sclerotinia ☐ Ergoty ☐ CoFo ☐ Other ☐ None ☐

41. Do any mycotoxins exceed FDA, State or other health organization maximum limits? Yes ☐

NARRATIVE (If more space is needed, attach a Special Report) ***Acres calculated using GPS. Orchard C, uninsured cause of loss appraisal due to not using recommended number of Beehives. Field C also damaged by hail. See attached Special Report for appraisal calculations. Entry in Section II represents production from both Fields B & C.***

SECTION II – DETERMINED HARVESTED PRODUCTION

43. Date Harvest Completed	44. Damage similar to other farms in the area?	45. Assignment of Indemnity	46. Transfer of Right to Indemnity?
MM/DD/YYYY	Yes *X* No	Yes No *X*	Yes No *X*

A. MEASUREMENTS / **B. GROSS PRODUCTION** / **C. ADJUSTMENTS TO HARVESTED PRODUCTION**

47a. Share / 47b. Field ID	48. Multi-Crop Code	49. Length or Diameter	50. Width	51. Depth	52. Deduction	53. Net Cubic Feet	54. Conversion Factor	55. Gross Prod.	56. Bu., Ton (Lbs.) CWT	57. Shell/ Sugar Factor	58a. FM% / 58b. Factor	59a. Moisture % / 58b. Factor	60a. Test WT / 60b. Factor	61. Adjusted Production	62. Prod. Not to Count	63. Production Pre-QA	64a. Value / 64b. Mkt. Price	65. Quality Factor	66. Production to Count
		ABC Packing Co. Any Town, USA XXXXX							*15400*							*15400*			*15400*

67. TOTAL	*15400*
68. Section II Total	*15400*
69. Section I Total	*14524*
70. Unit Total	*29924*
71. Allocated Prod.	
72. Total APH Prod.	*24424*

This form example does not illustrate all required entry items (e.g., signatures, etc.).

TABLE D SHELLING PERCENTAGES FOR CLEAN UNSHELLED ALMONDS

Variety	Average Shelling Percent	Variety	Average Shelling Percent	Variety	Average Shelling Percent
Aldrich	60	Le Grand	60	Price	65
Avalon	64	Livingston	65	Ripon	45
Ballico	55	Merced	70	Rosetta	50
Butte	60	Milow	65	Ruby	55
Carmel	65	Mission	50	Sauret I	65
Carrion	60	Monarch	48	Sauret II	65
Davey	55	Mono	50	Solano	65
Dottie Won	50	Monterey	55	Sonora	70
Drake	40	Ne Plus Ultra	65	Thompson	70
Fritz	55	Non Pareil	70	Tokyo	55
Harvey	65	Norman	60	Valenta	55
IXL	50	Padre	55	Vesta	51
Jeffries	70	Pearle	55	Wood Colony	65
Jordanolo	65	Peerless	45	Yosemite	47
Kapareil	68	Planada	58	Morley	50
				Savana	65

Some almond processors take samples from deliveries for varieties that are typically sold inshell. These samples are cracked out to determine the actual shelling percent for the variety. The shelling percentage from the sample crack out is used to determine the payment per pound for the variety being sold inshell and is shown on the settlement sheet. In this situation, use the shelling percentages shown on the settlement sheet as the shelling percent entry on the claim form.

EXHIBIT 1

APPRAISALS FOR FAILURE TO USE THE RECOMMENDED NUMBER OF BEE COLONIES AND/OR FRAMES PER COLONY FOR PROPER POLLINATION

Failure to use an adequate number of bee colonies and/or frames per bee colony for pollination is not an insurable cause of loss. In situations where there is a loss of production and no insurable cause of loss is evident, the adjuster must determine the number colonies and frames per colony set out by the producer. If it is determined that the producer set out less than the number(s) recommended by crop experts, which is a minimum of two six-frame colonies per acre or its equivalent (for example 1.5 eight-frame colonies), the loss adjuster should verify the number the producer typically uses by reviewing receipts of colony rentals for at least one non-loss year. If no documentation is available, the number of colonies and frames per colony recommended by experts will be used to assess uninsured causes of loss.

If the adjuster determines there are both insured causes of loss (rain and cool weather, etc.) and uninsured causes (e.g., lack of adequate colonies and/or frames per colony, etc.), refer to the LAM, Part 4, Unusual/Controversial Cases, Controversial Claim for additional information.

EXAMPLE:

Assume the insured has an APH yield of 1600 lbs./acre. The adjuster finds that there were both insured and uninsured causes of loss. The adjuster then finds that this crop year the insured used only one six-frame colony per acre, which is less than the minimum per acre number of two six-frame colonies (or its equivalent) recommended by experts, requiring further investigation. It is discovered that historically, the insured uses three six-frame colonies per acre, which is supported by rental receipts for the previous year. Because the number of colonies and frames per colony used this year is less than what the insured normally uses, the adjuster must determine the resulting production shortfall.

Assume for this crop year the insured harvests 250 pounds of almonds per acre. Surrounding farms with the same variety and adequate hives report average production that is 50% of normal yield, due to insurable causes of loss.

Total production to count the insured should have produced if an adequate number of colonies and frames per colony were used, while still accounting for the insured causes of loss that occurred, is 800 lbs: (1600 lbs. APH yield X .50 average production from surrounding farms for the year = 800 lbs).

Production lost due to an inadequate number of colonies and frames per colony is 550 lbs: (800 lbs. – 250 lbs harvested = 550 lbs.). Enter the result of multiplying 550 lbs./acre (uninsured cause appraisal per acre) by the number of appraised acres (item 19 in the Production Worksheet) in item 37 of the Production Worksheet.

Document in the Narrative of the Production Worksheet or on a separate Special Report how the appraisal was determined.