



United States  
Department of  
Agriculture



Federal Crop  
Insurance  
Corporation

FCIC-25055 (08-2020)  
FCIC-25055-1  
(04-2021)

# **PISTACHIO LOSS ADJUSTMENT STANDARDS HANDBOOK**

## **2021 and Succeeding Crop Years**



**RISK MANAGEMENT AGENCY  
KANSAS CITY, MO 64133**

<b>TITLE: PISTACHIO LOSS ADJUSTMENT STANDARDS HANDBOOK</b>	<b>NUMBER: FCIC-25055 FCIC-25055-1</b>
<b>EFFECTIVE DATE: 2021 and succeeding crop years</b>	<b>ISSUE DATE: April 23, 2021</b>
<b>SUBJECT:</b>  <b>Provides the Pistachio Loss Adjustment Standards for the 2021 and succeeding crop years</b>	<b>OPI: Product Administration and Standards Division</b>
	<b>APPROVED:</b>  <i>/s/ Richard Flournoy</i>  <b>Deputy Administrator for Product Management</b>

**REASON FOR ADMENDMENT**

The Pistachio Loss Adjustment Standards Handbook has been reformatted and updated to include reference to the General Standards Handbook (GSH) effective beginning with the 2021 crop year.

Major changes: See changes or additions in text which have been **highlighted**. Three stars (\*\*\*) identify information that has been removed.

1. Page 13, Exhibit 2: Changed part of the approved yield definition from “Average Production History (APH)” to “Actual Production History (APH).”
2. Page 14, Exhibit 2: Changed the Variability Adjustment Factor when the index is less than or equal to 75, from “1.0” to “1.40.”

**PISTACHIO LOSS ADJUSTMENT STANDARDS HANDBOOK CONTROL CHART**

Pistachio Loss Adjustment Standards Handbook							
	TP Page(s)	TC Page(s)	Text Page(s)	Exhibit Number	Exhibit Page(s)	Date	Directive Number
Remove				2	13-14	08-2020	FCIC-25055
Insert				2	13-14	04-2021	FCIC-25055-1
Current Index	1-2	1-2	1-11	1	12	08-2020	FCIC-25055
				2	13-14	04-2021	FCIC-25055-1
				3	15-17	08-2020	FCIC-25055
				4	18-33	08-2020	FCIC-25055
				5	34	08-2020	FCIC-25055
				6	35	08-2020	FCIC-25055
				7	36-39	08-2020	FCIC-25055

**FILING INSTRUCTIONS:**

These slip sheets replace pages in the 2021 Pistachio Pilot Loss Adjustment Standards Handbook, FCIC-25055 (08-2020). This handbook is effective for the 2021 and succeeding crop years and is not retroactive to any 2020 or prior crop year determinations.

## Definitions

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Alternate Bearing - The physiological propensity of perennial species, such as pistachios, (*Pistacia vera*) to produce a higher yield ('on' year) typically followed the next year by lower yield ('off' year).

Approved yield (per acre) - In addition to the definition contained in the BP, the quantity of pistachios (total assessed weight in pounds per acre) determined by multiplying the **Actual** Production History (APH) yield per acre by variability adjustment factor

Assessed Weight - The total pounds of (1) edible split in-shell, (2) total edible kernels from shelling stock, and (3) edible kernels from closed shell. Total edible kernels from shelling stock and edible kernels from closed shell are converted to in-shell equivalents according to ACP regulations.

Blank - A split or a non-split shell not containing a kernel or containing a kernel that fills less than one-half or 50% of the shell cavity.

Crop Year - The calendar year in which the harvest occurs.

Direct Marketing - Sale of the insured crop directly to consumers without the intervention of an intermediary such as wholesaler, retailer, packer, processor, sheller, shipper, buyer, or broker. Examples of direct marketing include selling through an on-farm or roadside stand, farmer's market, or permitting the general public to enter the field for the purpose of picking all or a portion of the crop.

High Blank Shell Incidence - A high blank shell incidence is when the rate of blanks is 80 percent or greater.

Leaf Year - Subtract the set out year from the crop year, then add one year.

**Example:** Rootstock is grafted in April of 2012.

The "set out" year is 2012.

Harvestable fruit production is expected to begin in 2017: the 6<sup>th</sup> leaf year (6 = 2017-2012+1).

The orchard would first become insurable in 2021: the 10th leaf year (10 = 2021-2012+1).

Set out year - The actual calendar year for acreage grafted before July 1st or the calendar year following grafting when grafting occurs after July 1<sup>st</sup>.

Two-year Coverage Period - A two-crop-year subset of a continuous policy in which you agree to insure the crop for both years of the period, and at the same coverage level, price election percentage, and unit structure.

## Definitions (Continued)

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Variability Adjustment Factor - A factor derived from the variability index that is multiplied by the APH to determine the approved yield.

- (1) If the variability index is less than or equal to 75, the variability adjustment factor will equal 1.40 unless otherwise provided in the Special Provisions.
- (2) If the variability index is greater than 75, but less than 125, the variability adjustment factor will equal 1.00 unless otherwise provided in the Special Provisions.
- (3) If the variability index is greater than or equal to 125, the variability adjustment factor will equal 0.60 unless otherwise provided in the Special Provisions.

Variability Index - A ratio determined by dividing the yield from the most recent crop year by the average yield of the two previous crop years. Multiply the result by 100 and round to the nearest whole number. The index is used to identify units which are likely to have 'on' versus 'off' years.