United States Department of Agriculture

Federal Crop Insurance Corporation

FCIC-25055 (08-2020)
FCIC-25055-1 (04-2021)
FCIC-25055-2 (11-2021)

PISTACHIO LOSS ADJUSTMENT STANDARDS HANDBOOK

2022 and Succeeding Crop Years

RISK MANAGEMENT AGENCY
KANSAS CITY, MO 64133

TITLE: PISTACHIO LOSS ADJUSTMENT STANDARDS HANDBOOK	NUMBER: FCIC-25055
	            FCIC-25055-1
	            FCIC-25055-2

EFFECTIVE DATE: 2022 and succeeding crop years	ISSUE DATE: November 29, 2021
SUBJECT: **Provides the Pistachio Loss Adjustment Standards for the 2022 and succeeding crop years**	OPI: Product Administration and Standards Division
	APPROVED: */s/ John Underwood* for **Deputy Administrator for Product Management**

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 2022 crop year.

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

1. Page 14, Exhibit 2: Updated the Variability Adjustment Factor definition with the new variability indexes and variability adjustment factors.

PISTACHIO LOSS ADJUSTMENT STANDARDS HANDBOOK CONTROL CHART

	TP Page(s)	TC Page(s)	Text Page(s)	Exhibit Number	Exhibit Page(s)	Date	Directive Number
					Pistachio Loss Adjustment Standards Handbook		
Remove				2	13-14	04-2021	FCIC-25055-1
Insert				2	13-14	11-2021	FCIC-25055-2
Current Index	1-2	1-2	1-11			08-2020	FCIC-25055
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FILING INSTRUCTIONS:

These slip sheets replace pages in the 2022 Pistachio Pilot Loss Adjustment Standards Handbook, FCIC-25055 (08-2020) and FCIC-25055-1 (04-2021). This handbook is effective for the 2022 and succeeding crop years and is not retroactive to any 2020 or prior crop year determinations.

Exhibit 2

Definitions

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 6th 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 1st.

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.

Exhibit 2

Definitions (Continued)

Variability Adjustment Factor - A factor derived from the variability index that is multiplied by the APH to determine the approved yield. The resulting approved yield cannot be greater than the highest actual yield in the APH database or lower than the lowest actual yield in the database. The variability adjustment factor will be rounded to two decimal places. Unless otherwise provided in the SP.

***   (1)   If the variability index is less than or equal to 40, the variability adjustment factor will equal 1.60.

***   (2)   If the variability index is greater than 40, but less than or equal to 160, the variability adjustment factor will equal (200 minus the variability index) divided by 100.

***   (3)   If the variability index is greater than 160, the variability adjustment factor will equal 0.40.

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.