2011 Apple Policy Changes

- Allows optional units by type as specified in the Special Provisions of Insurance. For example, an optional unit for fresh apple production, and an optional unit for processing apple production.

- Allows the apple grower (insured) to select different coverage levels for the fresh apple acreage (unit) and the processing apple acreage (unit).

- Insured’s will be required to provide verifiable records to prove that 50% of their fresh apple production for the unit was sold as fresh apples in one or more of the four recent crop years. Note: apple growers must follow recommended cultural practices generally in use for fresh apple acreage in the county as determined by agricultural experts.

- A new section has been added to the policy to state that any apple production not graded prior to sale or storage will be considered as production to count.
D Acceptable Verifiable Records.

The production certified on a production report must be substantiated by acceptable verifiable records for certain crops.

Verifiable production evidence is considered an acceptable record, if it meets the requirements of [D(1)-(6)], for the following crops: Apples, Blueberries, Cranberries, Peaches, Potatoes (Northern, Central and Southern), Processing Beans, and Tomatoes (Processing and Fresh Market Production Guarantee Plan).

(1) Records of Production Commercially Sold to or Stored by a Disinterested Third Party.

(a) Records. The following records of commercially sold or stored production are acceptable, provided they include all the information in Para. (1)(b):

1 Gin records.
2 Warehouse or elevator receipts, ledger sheets, settlement sheets or load summaries.
3 Records from marketing outlet, storage facility, processor, packer, buyer, broker, distiller, boiler house, or first handler.

(b) Required information. The following information must be included on the record for the record to be acceptable (if items 6 through 8 below are not provided on the record, the insured must provide this information separately).

1 Crop.
2 Quantity of production that can be converted to the proper unit of measure, if necessary.
3 Name of insured.
4 Date of transaction.
5 Name of warehouse, elevator, marketing outlet, storage facility, processor, packer, buyer, broker, distiller, boiler house or first handler, as applicable.
6 Practice and type of crop.
7 Crop year commodity was produced.
8 Planting period from which production was produced, if SP designates separate planting periods for the crop.

Pick Records and Daily Sales Records.
(a) Pre-Harvest Appraisals. A pre-harvest appraisal performed by the AIP or RMA may be required by the CP if production will be marketed directly to consumers.

RMA may waive the requirement for a pre-harvest appraisal if both of the following are met:

1 Actuarial documents for the crop allow for waiver.
2 RMA determines, based on evidence provided by the insured, that acceptable substantiating evidence is being maintained by insured.

A pre-harvest appraisal, by itself, is not sufficient to substantiate total production certified by the insured; however, it is used as supporting documentation in conjunction with pick records and/or daily sales records.

(b) **Pick Records.** If a pre-harvest appraisal is required, pick records alone are not sufficient to substantiate production certified by the insured.

Regardless of whether a pre-harvest appraisal is required, pick records must meet all of the following to be acceptable.

1. **Legible and understandable.** Pick records must be legible and understandable by the AIP.

2. **Name of individual paid.** Pick record must indicate the name of the individual(s) paid by the grower for the harvest of the crop.

3. **Price paid.** Insured must identify the price paid, per volume picked, for picking the crop. The price paid must be on the basis of the insurable unit of measure and weight.

4. **Photocopy of all pick records.** Insureds must provide, upon request of RMA or the AIP, a photocopy of all pick records for the applicable crop year. The photocopies must be of the actual running tallies of production harvested by each picker.

   If the AIP determines it is not feasible to provide a photocopy of all pick records, a summary that itemizes each picker’s total with an example of the pick records used to calculate the total may be acceptable.

5. **Verifiable proof of payment to picker(s).** Pick records must be accompanied by verifiable proof of payment to the picker(s) for the harvesting of the crop. Either of the following is acceptable verifiable proof of payment.

   a. Photocopy of cancelled check(s) to picker showing the banking institutions stamp of payment.

   b. Photocopy of payments made to Social Security Administration for tax payments made on behalf of picker(s).

6. **Calculation to determine total production.** Pick records must include the calculations used to determine the total production certified by the insured. The calculations may be provided on a cover page for the pick records. All calculations must be on the basis of the insurable unit of measure and weight. The RO or AIP must verify all calculations.

(c) **Daily Sales Records.** If a pre-harvest appraisal is required, daily sales records alone are not sufficient to substantiate production certified by the insured.
Regardless of whether a pre-harvest appraisal is required, daily sales records must meet both of the following to be acceptable.

1 Photocopy of daily account ledger. A photocopy of the insured's actual daily account ledger is required.

2 Verification of income. Daily sales records must be accompanied by tax forms or other receipts verifying of income from the sale of the crop.

(d) **Unacceptable Records.** Production summaries or estimates of production are not acceptable regardless of who provides the summary or estimate.