

United States Department of Agriculture

Risk Management Agency

Washington, D.C. 20250

**BULLETIN NO: MGR-06-013** 

**TO:** All Reinsured Companies

All Risk Management Agency Field Offices

All Other Interested Parties

**FROM**: Eldon Gould /s/ James Callan for 12/06/2006

Administrator

**SUBJECT:** Florida Fruit Tree and Asiatic Citrus Canker Verification

# **BACKGROUND:**

Asiatic Citrus Canker (ACC) coverage was first offered under the Florida Fruit Tree Pilot Crop Insurance Program (FFT) for the 2000 crop year. The pilot FFT policy provided coverage for citrus trees removed due to infection or exposure to ACC. Two key components of ACC coverage were the negative ACC Underwriting Certificate required for insurance eligibility and increasing coverage, and the ACC Destruction Certificate, which orders the removal of trees infected or exposed to ACC. From 2000 through early 2006, the state of Florida required the removal of such trees in an effort to control the spread of ACC. In January 2006, Florida ceased issuing "removal orders" and only "recommended" the removal of such trees. Florida's Division of Plant Industry (DPI) advised they would continue to issue Destruction Certificates indicating which trees were infected by or exposed to ACC, and verify the removal of these trees for insurance purposes.

At present DPI is operating under a great deal of uncertainty with respect to the citrus industry. The Animal and Plant Health Inspection Service (APHIS) and DPI continue to develop a Citrus Health Response Plan (CHRP) to address the effects of ACC and other diseases; however, the plan has not yet been finalized. Based on workload and resources, DPI's current priority is the inspection of fresh citrus fruit acreage, since fresh fruit cannot be shipped without proper inspections. DPI recently advised they will be unable to continue issuing Destruction Certificates for processing citrus fruit. Due to this increased workload, DPI informed the Risk Management Agency (RMA) they could not complete some of the ACC Underwriting Certificates within the required 30 day time period under the FFT policy.

Consequently, due to situations beyond their control, insureds may not be able to provide an acceptable negative ACC Underwriting Certificate within the required 30 days because DPI does not have the resources available to complete the work. In addition, insureds cannot obtain ACC Destruction Certificates from DPI for infected or exposed trees in processing citrus fruit groves.



# **ACTION:**

To meet policy obligations for providing ACC coverage, the following modifications to the pilot FFT program are effective immediately for the remainder of the 2007 crop year.

## **ACC Underwriting Certification:**

The following conditions apply to the ACC Underwriting Certificate and attachment of insurance and are applicable for all applications submitted after September 1, 2006:

- A. For new policy applicants, the period allowed for an insured to submit an acceptable negative ACC Underwriting Certificate is extended from 30 days to 60 days. The coverage for loss due to ACC will not begin until 15 days after the insured has provided the AIP an acceptable negative ACC Underwriting Certificate, and not sooner than 45 days after receipt of the completed application.
- B. The negative ACC Underwriting Certificate must be submitted to the AIP within 30 days of its issuance by DPI.
- C. Coverage for losses other than ACC attaches 45 days after the AIP receives the completed application.

## **ACC Destruction Certificate:**

For processing citrus fruit groves, verification of losses due to ACC will be determined as follows:

- A. AIPs will accept notices of loss from Florida citrus insureds. Insureds have been trained and certified to identify trees infected by ACC, and must identify and mark trees infected by ACC prior to the loss adjuster's inspection.
- B. The Grower/Caretaker Compliance Agreement, signed by the grower and by DPI requires the grower to be responsible for the decontamination of all personnel and equipment that provide a service to the grower. Growers may also require decontamination prior to entering and leaving their groves.
- C. AIP loss adjusters must verify the trees infected or exposed to ACC, and verify their removal prior to finalizing the ACC claim. Loss adjusters working ACC losses must be properly certified for identification of ACC infected trees prior to conducting any loss inspections. DPI has agreed to provide training for loss adjusters on ACC verification and tree destruction, and will issue the necessary certificate upon successful completion of the training. This training will cover

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ACC identification and verification including any sampling and diagnostic requirements and procedures. DPI will also provide diagnostic services to identify citrus canker in their laboratories whenever needed. DPI's point of contract to provide training is:

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Florida Department of Agriculture and Consumer Services
(352) 372-3505 ex 108
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DPI will continue to inspect and issue Destruction Certificates for fresh fruit groves.

Questions regarding this bulletin can be referred to Ron Lundine, Chief, Product Design Branch at 816-926-3854 or ronald.lundine@rma.usda.gov.

## **DISPOSAL:**

This memorandum is for transmitting information and will expire May 31, 2007.