SUMMARY OF CHANGES FOR THE FRESH MARKET BEAN CROP PROVISIONS (03-105)(REV 6/02)

The following is a brief description of changes to the crop provisions that will be effective for the 2003 crop year. Please refer to the crop provisions for more complete information.

The crop provisions have been modified to add language similar to other Dollar Plans of insurance. These modifications may include, but are not limited to:

(a) Addition of a definition for Acreage limitation percent;
(b) Addition of a definition for Allowable costs;
(c) Deletion of the definition of Practical to replant;
(d) Addition to section 3, Amounts of insurance. Stage guarantee language was added for loss adjustment to be consistent with other Dollar Plans of insurance;
(e) Added a new section 7, Annual Premium. This section defines the calculation of annual premium for the practices available for fresh market beans;
(f) Adding new requirements to section 9, Insurable Acreage. The new requirements allow the insured the option to replant the damage acreage and collect a replant payment or not to replant and receive an indemnity based on the stage of growth the plant attained at the time of damage.
(g) Removed the Spring Planting Period for Florida from Section 10, Insurance Period and modified language to accommodate planting period differences between Florida and North Carolina and Virginia;
(h) Added section 12, Replant Payment, to allow for replanting payments in accordance with section 13 of the Basic Provisions; and,
(i) Modified the wording of section 17, Minimum Value Option, to allow for modifications to the Minimum Values by the Special Provision of Insurance documents.

UNITED STATES DEPARTMENT OF AGRICULTURE
Federal Crop Insurance Corporation
PILOT FRESH MARKET BEAN CROP PROVISIONS

If a conflict exists among the policy provisions, the order of priority is as follows: (1) the Catastrophic Risk Protection Endorsement, if applicable; (2) the Special Provisions; (3) these Crop Provisions; and (4) the Basic Provisions with (1) controlling (2), etc.

1. Definitions.

Acreage limitation percent - The maximum allowable annual percentage increase in insured acres, as specified in the Special Provisions.

Allowable cost - The dollar amount per bushel for harvesting and handling as shown in the Special Provisions.

Bushel - Thirty pounds avoirdupois.

Crop year - In lieu of the definition of "crop year" contained in section 1 of the Basic Provisions, for counties with a August 31 cancellation date only, crop year is a period of time that begins on the first day of the planting period for fall planted fresh market beans and continues through the last day of the insurance period for spring planted fresh market beans. Crop year will be designated as the calendar year following the beginning of the first planting period.

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

Fresh market beans - Plants of the family Leguminosae and the genus Phaseolus and of the types identified in the Special Provisions as pole, snap, or wax beans that are grown for their pods and used for human consumption.

Harvest - The removal of fresh market bean pods from the plants on the unit.

Market price - The cash price per bushel for the U.S. No. 2 grade or better of snap beans offered by buyers in the area in which you normally market the insured crop. This price will reflect the maximum limits of quality deficiencies allowed for the U.S. No. 2 grade of the insured crop. Only factors associated with grading under the Official United States Standards for Snap Beans will be considered.

Planting period - The period of time designated in the actuarial documents in which fresh market beans must be planted to be considered fall, winter, or spring-planted fresh market beans.

Potential production - The number of bushels of fresh market beans that will or would have been produced per acre by the end of the insurance period, assuming normal growth conditions and cultural practices.

2. Unit Division.

Unless otherwise specified in the Special Provisions:

(a) A basic unit, as defined in section 1 of the Basic Provisions, will also be divided into additional basic units by planting period.

(b) Provisions in the Basic Provisions that allow optional units by irrigated and non-irrigated practices are not applicable.

3. Amounts of Insurance.

(a) In addition to the requirements of section 3 of the Basic Provisions, you must select only one coverage level (and the corresponding amount of insurance designated in the actuarial documents for the applicable planting period and practice) for all the fresh market beans in the county insured under this policy.

(b) The amount of insurance you choose for each planting period and practice must have the same percentage relationship to the maximum price offered by us for each planting period and practice. For example, if you choose 100 percent of the maximum amount of insurance for a specific planting period and practice, you must also choose 100 percent of the maximum amount of insurance for all other planting periods and practices.

(c) The production reporting requirements contained in section 3 of the Basic Provisions, do not apply to fresh market beans.

(d) Unless otherwise specified in the Special Provisions, the amounts of insurance per acre are progressive by stages as follows:

Stage	Percent of Amount of Insurance per acre that you selected	Length of time from Direct Seeding
1	40	From planting through the 30th day after planting
2	60	From the 31st day after planting until harvest
Final	100	Applies only to harvested acreage

(e) Any acreage of fresh market beans damaged in the first, or second stage to the extent that the majority of producers in the area would not normally further care for it, will be deemed to have been destroyed. The indemnity payable for such acreage will be based on the stage the plants had achieved when the damage occurred.

4. Contract Changes.

In accordance with section 4 of the Basic Provisions, the contract change date shown below is the date preceding the cancellation date:

State	Date:
Florida;	June 30
North Carolina and Virginia;	November 30

5. Cancellation and Termination Dates.

In accordance with section 2 of the Basic Provisions, unless specified in the Special Provisions, the cancellation and termination dates are:

State	Cancellation and Termination Date
Florida	August 31
North Carolina, Virginia	March 15

6. Report of Acreage.

In addition to the requirements of section 6 of the Basic Provisions, you must report on or before the acreage reporting date contained in the Special Provisions for each planting period:

(a) All the acreage of fresh market beans in the county insured under this policy in which you have a share; and

(b) The date the acreage was planted within each planting period.

7. Annual Premium.

In lieu of the premium amount determinations contained in section 7 of the Basic Provisions, the annual premium amount for each cultural practice (e.g., fall-planted irrigated) is determined by multiplying the final stage amount of insurance per acre by the premium rate for the cultural practice as established in the actuarial documents, by the insured acreage, by your share at the time coverage begins, and by any applicable premium adjustment factors contained in the actuarial documents.

8. Insured Crop.

In accordance with section 8 of the Basic Provisions, the crop insured will be all the fresh market beans in the county for which a premium rate is provided by the actuarial documents:

(a) In which you have a share;

(b) That are:

(1) Planted to be harvested and sold as fresh market beans;

(2) Planted within the planting periods designated in the actuarial documents; or

(3) Grown by a person who:

(i) Has grown fresh market beans for three previous crop years; or

(ii) Has grown or participated in managing a fresh market snap bean farming operation in the county in which the present crop will be insured.

(c) That are not (unless allowed by the Special Provisions):

(1) Interplanted with another crop;

(2) Planted into an established grass or legume; or

(3) Grown for direct marketing.

9. Insurable Acreage.

In addition to the provisions of section 9 of the Basic Provisions, and unless otherwise specified in the Special Provisions:

(a) You must replant any acreage of fresh market beans damaged during the planting period in which initial planting took place whenever less than 75 percent of the plant stand remains: and

(1) It is practical to replant; and

(2) If, at the time the crop was damaged, the final day of the planting period has not passed.

(b) Whenever fresh market beans are initially planted during a planting period and the conditions specified in section 9(a)(2) are not satisfied, you may elect:

(1) To replant such acreage and collect any replant payment due as specified in section 12. The initial planting period coverage will continue for such replanted acreage; or

(2) Not to replant such acreage and receive an indemnity based on the stage of growth the plants had attained at the time of damage. However, such an election will result in the acreage being uninsurable in the subsequent planting period within the same crop year in any county in which fall and winter planting periods are provided by the Special Provisions.

(c) Fresh market beans must initially be planted in rows far enough apart to permit mechanical cultivation. Acreage planted in any other manner will not be insurable unless otherwise provided by the Special Provisions.

(d) We will not insure acreage that does not meet all applicable rotation requirements contained in the Special Provisions.

10. Insurance Period.

In accordance with the provisions of section 11 of the Basic Provisions, the calendar date for the end of the insurance period, unless otherwise specified, is 65 days after the final planting date for the planting period. For North Carolina and Virginia the end of the insurance period is the date immediately following planting as follows:

Planting Period/State	Date:
Spring Planting	
North Carolina, Virginia	July 3
Fall Planting:	
North Carolina, Virginia	October 31

11. Causes of Loss.

In accordance with the provisions of section 12 of the Basic Provisions:

(a) Insurance is provided only against a decline in the amount of income due to the following causes of loss which occur within the insurance period:

(1) Adverse weather conditions:

(2) Insects and disease, but not damage due to insufficient or improper application of control measures;

(3) Wildlife;

(4) Fire;

(5) Earthquake;

(6) Volcanic eruption; or

(7) Failure of the irrigation water supply if due to a

cause of loss contained in section 11(a)(1) through (6) that occurs during the insurance period.

(b) In addition to the causes of loss excluded in section 12 of the Basic Provisions, we will not insure against damage or loss of production due to:
  (1) Failure to harvest in a timely manner;
  (2) Failure to market fresh market beans, unless such failure is due to actual physical damage caused by an insured cause of loss that occurs during the insurance period; or
  (3) Any decrease in the market price for the insured crop.

12. Replant Payments.

Unless otherwise stated in the Special Provisions:

(a) In accordance with section 13 of the Basic Provisions, a replanting payment is allowed if, due to an insured cause of loss, more than 25 percent of the plant stand will not produce fresh market beans and it is practical to replant.

(b) The maximum amount of the replanting payment per acre will be the lesser of your actual cost of replanting or the result obtained by multiplying the per acre replanting payment amount contained in the Special Provisions by your insured share.

(c) In lieu of the provisions contained in section 13 of the Basic Provisions, that limit a replanting payment to one each crop year, only one replanting payment will be made for acreage planted during each planting period within the crop year.

13. Duties In The Event of Damage or Loss.

(a) In addition to the requirements contained in section 14 of the Basic Provisions, if you intend to claim an indemnity on any unit, you also must give us notice not later than 72 hours after the earliest of:
  (1) Occurrence of damage;
  (2) The time you discontinue harvest of any acreage on the unit;
  (3) The date harvest normally would start if any acreage on the unit will not be harvested; or
  (4) The calendar date for the end of the insurance period.

(b) In accordance with the requirements of section 14 of the Basic Provisions, any representative samples of the unharvested crop that we may require must be at least 10 feet wide and extend the entire length of each field in the unit. The samples must not be harvested or destroyed until the earlier of our inspection or 7 days after harvest of the balance of the unit is completed. Failure to leave a representative sample will result in an appraised amount of production to count that is not less than the production guarantee per acre; and

(c) In addition to all other notice requirements, if you are a broker, packer, processor, wholesaler, buyer or other handler of fresh market beans, you must notify us at least 15 days before harvest or the end of insurance period, whichever is earlier. We will conduct an appraisal that will be used to determine your value of production to count. If damage occurs after this appraisal, we will conduct an additional appraisal. These appraisals, and any acceptable records provided by you, will be used to determine your production to count. Failure to give timely notice will result in an appraised value of production to count that is not less than the insurance guarantee per acre.

14. Settlement of Claim.

(a) We will determine your loss on a unit basis. In the event you are unable to provide separate acceptable production records:
  (1) For any optional unit, we will combine all optional units for which such production records were not provided; or
  (2) For any basic unit, we will allocate any commingled production to such units in proportion to our liability on the harvested acreage for each unit.

(b) In the event of loss or damage covered by this policy, we will settle your claim by:
  (1) Multiplying the insured acreage in each stage by the amount of insurance per acre for the final stage;
  (2) Multiplying each result in section 14(b)(1) by the percentage for the applicable stage (see section 3(d));
  (3) Total the results of section 14(b)(2);
  (4) Subtracting either of the following values from the result of section 14(b)(3):
    (i) For other than catastrophic risk protection coverage, the total value of production to be counted (see section 14(c)); or
    (ii) For catastrophic risk protection coverage, the result of multiplying the total value of production to be counted (see section 14(c)) times fifty-five percent; and
  (5) Multiplying the result of section 14(b)(4) by your share.

(c) The total value of production to count from all insurable acreage on the unit will include all harvested and appraised production if the acreage is not harvested as follows:
  (1) Not less than the amount of insurance per acre for the stage for any acreage:
    (i) That is abandoned;
    (ii) Put to another use without our consent;
    (iii) That is damaged solely by uninsured causes;
    (iv) For which you fail to provide acceptable production records;
    (v) If you are a buyer, wholesaler, packer, processor, broker or other handler and you fail to meet the requirements contained in section 13(c).
  (2) The value of the following appraised production will not be less than the dollar amount obtained by multiplying the number of bushels of appraised fresh market beans by the minimum

value per bushel shown in the Special Provisions for the planting period:

(i) Unharvested mature or over mature production (damaged unharvested mature production which is or has been damaged by an insurable cause of damage will not be counted as potential production);

(ii) Production lost due to uninsured causes; and

(iii) Potential production on insured acreage that you intend to put to another use or abandon without our consent.

(A) If you do not elect to continue to care for the crop, we may give you consent to put the acreage to another use if you agree to leave intact, and provide sufficient care for, representative samples of the crop in locations acceptable to us (The amount of production to count for such acreage will be based on the harvested production or appraisals from the samples at the time harvest should have occurred. If you do not leave the required samples intact, or fail to provide sufficient care for the samples, the amount of production to count value will not be less than the amount of insurance guarantee per acre); or

(B) If you elect to continue to care for the crop, the amount of production to count value for the acreage will be the harvested production value, or the appraised production value at the time the crop reaches maturity; and

(3) The total value of all harvested production from the insurable acreage will be the dollar amount obtained by subtracting the allowable cost contained in the Special Provisions from the average price received for each bushel of fresh market beans, (this result may not be less than the minimum value shown in the Special Provisions per bushel of fresh market beans), and multiplying this result by the number of bushels of fresh market bean production. Harvested fresh market beans that are not marketable due to insurable causes will not be considered production to count.

15. Written Agreements.

The written agreement provisions in the Basic Provisions are not applicable.

16. Late and Prevented Planting.

The late and prevented planting provisions of the Basic Provisions are not applicable.

17. Minimum Value Option.

Unless otherwise specified in the Special Provisions:

(a) The provisions of this option are continuous and will be attached to and made a part of your insurance policy, if:

(1) You elect <u>either</u> Option I <u>or</u> Option II of the Minimum Value Option on your application, or on a form approved by us, on or before the sales closing date for the initial crop year in which you wish to insure fresh market beans under this option, and pay the additional premium indicated in the Actuarial Table for this optional coverage; and

(2) You have not elected coverage under the Catastrophic Risk Protection Endorsement.

(b) In lieu of the provisions contained in section 14(c)(3), the total value of harvested production will be determined as follows:

(1) If you selected Option I of the Minimum Value Option, the total value of harvested production will be as follows:

(i) For sold production, the dollar amount obtained by subtracting the allowable cost contained in the Special Provisions from the price received for each bushel of fresh market beans (this result may not be less than the minimum value option price contained in the Special Provisions for any bushel of fresh market beans), and multiplying this result by the number of bushels of fresh market beans sold; and

(ii) For marketable production that is not sold, the dollar amount obtained by multiplying the number of bushels of such fresh market beans on the unit by the minimum value shown in the Special Provisions for the planting period (harvested production that is damaged due to insurable causes prior to harvest and is not marketable will not be counted as production).

(2) If you selected Option II of the Minimum Value Option, the total value of harvested production will be as provided in section 17(b)(1), except that the dollar amount specified in section (17)(b)(1)(i) may not be less than zero.

(c) This option may be canceled by either you or us for any succeeding crop year by giving written notice on or before the cancellation date preceding the crop year for which the cancellation of this option is to be effective.