

UNITED STATES DEPARTMENT OF AGRICULTURE
Federal Crop Insurance Corporation
CRAMBE PILOT 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.

Base contract price - The price stipulated in the processor contract without regard to discounts or incentives that may apply that will be used to calculate your price election.

Crambe - A crop of the family **Cruciferae**, genus *Crambe* and species *abyssinica* grown with the intent of producing seeds with an oil content of 25 percent or more measured on a basis free from foreign material.

Harvest - Combining or threshing for seed. A crop that is swathed prior to combining is not considered harvested.

North Dakota Grain Inspection, Inc. - A privately owned, federally licensed grain inspection organization that is regulated by the United States Grain Standards Act.

Planted acreage - In addition to the definition contained in the Basic Provisions, crambe seed must initially be planted in rows. Acreage planted in any other manner will not be insurable unless otherwise provided by the Special Provisions, actuarial documents, or by written agreement.

Processor - Any business enterprise regularly engaged in buying and processing crambe, that possesses all licenses and permits for processing crambe required by the state in which it operates, and that possesses facilities, or has contractual access to such facilities, with enough equipment to accept and process contracted crambe within a reasonable amount of time after harvest.

Processor contract - A written agreement between the producer and a processor for the current crop year, containing at a minimum:

- (a) The producer's commitment to plant and grow crambe and to deliver the production to the processor,
- (b) The processor's commitment to purchase all the production stated in the processor contract, and
- (c) A base contract price.

Salvage Price - The cash price per pound for crambe that qualifies for quality adjustment in accordance with section 13 of these Crop Provisions.

Swathed - Severance of the stem and seed pods from the ground and placing into windrows without removal of the seed from the pod.

2. Unit Division.

- (a) In addition to the requirements of section 34(b) of the Basic Provisions, in addition to, or instead of, optional units by section, section equivalent or FSA farm serial number and by irrigated and non-irrigated practices, optional units may be by type, if type is designated on the Special Provisions.
- (b) For any processor contract that stipulates the amount of production to be delivered: in lieu of the definition contained in the Basic Provisions, a basic

unit will consist of all acreage planted to the insured crop in the county that will be used to fulfill contracts with each processor;

- (1) There will be no more than one basic unit for all production contracted with each processor contract;
- (2) In accordance with section 13, all production from any basic unit in excess of the amount under contract will be included as production to count if such production is applied to any other basic unit for which the contracted amount has not been fulfilled.

3. Insurance Guarantees, Coverage Levels, and Prices for Determining Indemnities.

In addition to the requirements of section 3 of the Basic Provisions, you may select only one price election for all the crambe in the county insured under this policy unless the Special Provisions allow different price elections by type, in which case you may select one price election for each crambe type designated in the Special Provisions. The price elections you choose for each type must have the same percentage relationship to the maximum price offered by us for each type. For example, if you choose 100 percent of the maximum price election for a specific type, you must also choose 100 percent of the maximum price election for all other types.

4. Contract Changes.

In accordance with section 4 of the Basic Provisions, the contract change date is November 30 preceding the cancellation date.

5. Cancellation and Termination Dates.

In accordance with section 2 of the Basic Provisions, the cancellation and termination dates are March 15.

6. Report of Acreage.

In addition to the provisions of section 6 of the Basic Provisions, you must provide a copy of all processor contacts to us on or before the acreage reporting date.

7. Insured Crop.

(a) In accordance with section 8 of the Basic Provisions, the crop insured will be all crambe in the county for which a premium rate is provided by the actuarial table:

- (1) In which you have a share;
- (2) That is planted for harvest as seed;
- (3) That is grown under, and in accordance with, the requirements of a processor contract executed on or before the acreage reporting date and is not excluded from the processor contract at any time during the crop year, and
- (4) That is not, unless allowed by Special Provisions or by written agreement:
 - (i) Interplanted with an other crop; or
 - (ii) Planted into an established grass or legume; or
 - (iii) Planted following the harvest of any other

crop in the same crop year.

- (b) You will be considered to have a share in the insured crop if, under the processor contract, you retain control of the acres on which the crambe is grown, you are at risk of loss, and the processor contract provides for delivery of the crambe under specified conditions and at a stipulated base contract price.
- (c) A commercial crambe producer who is also a processor may establish an insurable interest if the following requirements are met:
 - (1) The producer must comply with these Crop Provisions;
 - (2) Prior to the sales closing date, the Board of Directors or officers of the processor must execute and adopt a resolution that contains the same terms as an acceptable processor contract. Such resolution will be considered a processor contract under this policy; and
 - (3) Our inspection reveals that the processing facilities comply with the definition of a processor contained in these Crop Provisions.

8. Insurable Acreage.

In addition to the provisions of section 9 of the Basic Provisions,

- (a) Any acreage of the insured crop that is damaged before the final planting date, to the extent that a majority of producers in the area would not normally further care for the crop, must be replanted unless we agree that it is not practical to replant; and
- (b) We will not insure any acreage that does not meet the rotation requirements contained in the Special Provisions.

9. Insurance Period.

In accordance with the provisions of section 11 of the Basic Provisions, the end of the insurance period is October 31 of the calendar year in which the crop is normally harvested.

10. Causes of Loss.

In accordance with the provisions of section 12 of the Basic Provisions, insurance is provided only against the following causes of loss which occur during the insurance period:

- (a) Adverse weather conditions;
- (b) Fire;
- (c) Insects, but not damage due to insufficient or improper application of pest control measures;
- (d) Plant disease, but not damage due to insufficient or improper application of disease control measures;
- (e) Wildlife;
- (f) Earthquake;
- (g) Volcanic eruption; or
- (h) Failure of the irrigation water supply, if applicable, caused by a cause of loss specified in section 10 (a) through (g) that occurs during the insurance period.

11. Replanting Payment.

- (a) In accordance with section 13 of the Basic Provisions, a replanting payment is allowed if the insured crop is damaged by an insurable cause of loss to the extent that the remaining stand will not produce at least 90 percent of the production guarantee for the acreage, and it is practical to replant or we require you to replant in accordance with section 8(a).
- (b) The maximum amount of the replanting payment per

acre will be the lesser of 20 percent of the production guarantee or 175 pounds, multiplied by your price election, multiplied by your insured share.

- (c) When the crambe is replanted using a practice or type that is uninsurable as an original planting, the liability for the unit will be reduced by the amount of the replanting payment that is attributable to your share. The premium amount will not be reduced.

12. Duties In The Event of Damage or Loss.

In accordance with the requirements of section 14 of the Basic Provisions, the 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 15 days after harvest of the balance of the unit is completed.

13. 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 units, we will combine all optional units for which acceptable production records were not provided; or
 - (2) For any basic units, we will allocate any commingled production to such units in proportion to our liability on the harvested acreage for the units.
- (b) In the event of loss or damage covered by this policy, we will settle your claim by:
 - (1) Multiplying the insured acreage by its respective production guarantee;
 - (2) Multiplying each result in section 13(b)(1) by the respective price election for each type, if applicable;
 - (3) Totaling the results in section 13(b)(2);
 - (4) Multiplying the total production to be counted of each type, if applicable (see section 13(c)), by the respective price election;
 - (5) Totaling the results in section 13(b)(4);
 - (6) Subtracting the total in section 13(b)(5) from the total in section 13(b)(3); and
 - (7) Multiplying the result in section 13(b)(6) by your share.

For example:

You have 100 percent share in 25 acres of Crambe in a unit with a 650 pound production guarantee and a price election of \$0.10 per pound. You are only able to harvest 14,700 pounds due to insurable causes, and there is no appraised production. Your indemnity would be calculated as follows:

(1)	25 acres x 650 pounds = 16,250 pounds of Crambe;
(2)	16,250 pounds x \$0.10 price election = \$1,625 value of guarantee for Crambe;
(3)	\$1,625 total value of the guarantee;
(4)	14,700 pounds x \$0.10 price election = \$1470 total value of production to count for Crambe;
(5)	\$1,470 total value of production to count;
(6)	\$1,625 - \$1,470 = \$155 loss; and
(7)	\$155 x 100 percent = \$155 indemnity payment.

- (c) The total production to count (pounds) from all insurable acreage on the unit will include:
- (1) All appraised production as follows:
 - (i) Not less than the production guarantee for acreage:
 - (A) That is abandoned;
 - (B) That is put to another use without our consent;
 - (C) That is damaged solely by uninsured causes; or
 - (D) For which you fail to provide acceptable production records;
 - (ii) Production lost due to uninsured causes;
 - (iii) Unharvested production (mature unharvested production may be adjusted for quality deficiencies and excess moisture in accordance with section 13(d)); and
 - (iv) Potential production on insured acreage that you intend to put to another use or abandon, if you and we agree on the appraised amount of production. Upon such agreement, the insurance period for that acreage will end when you put the acreage to another use or abandon the crop. If agreement on the appraised amount of production is not reached:
 - (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 you fail to provide sufficient care for the samples, our appraisal made prior to giving you consent to put the acreage to another use will be used to determine the amount of production to count.); or
 - (B) If you elect to continue to care for the crop, the amount of production to count for the acreage will be the harvested production, or our reappraisal if additional damage occurs and the crop is not harvested; and
 - (2) All harvested production from the insurable acreage.
- (d) Mature crambe production may be adjusted for excess moisture and quality deficiencies. If moisture adjustment is applicable, it will be made prior to any adjustment for quality.
- (1) Crambe production will be reduced by 0.12 percent for each 0.1 percentage point of moisture in excess of 12.0 percent. We must be permitted to obtain samples of the production to determine the moisture content.
 - (2) Crambe production will be eligible for quality adjustment if deficiencies in quality result in the crambe not meeting the requirements for acceptance under the processor contract because of kernel damage (excluding heat damage), or has a musty, sour, or commercially objectionable foreign odor.
- (3) Quality will be a factor in determining your loss in crambe production only if:
 - (i) The deficiencies, substances, or conditions resulted from a cause of loss against which insurance is provided under these crop provisions and which occurs within the insurance period;
 - (ii) The deficiencies, substances, or conditions result in a net salvage price that is less than the base contract price;
 - (iii) All determinations of these deficiencies, substances, or conditions are made using samples of the production obtained by us or by a disinterested third party approved by us; and
 - (iv) The samples are analyzed by a grader in accordance with the crambe grading standards of North Dakota Grain Inspection, Inc. with regard to deficiencies in quality, or by a laboratory approved by us.
 - (4) Crambe production that is eligible for quality adjustment, as specified in sections 13(d)(2) and (3), will be reduced:
 - (i) In accordance with the quality adjustment factors contained in the Special Provisions; or
 - (ii) If quality adjustment factors are not contained in the Special Provisions, quality adjustment factors will be determined as follows:
 - (A) Divide the salvage price by the base contract price to determine the quality adjustment factor. (not to exceed 1.000).
 - (B) The number of pounds remaining after any reduction due to excessive moisture (the moisture-adjusted gross pounds) of the damaged or conditioned production will then be multiplied by the quality adjustment factor to determine the net production to count.
 - (5) The salvage price will be determined at the earlier of the date such quality adjusted production is sold or the date of final inspection for the unit subject to the following conditions:
 - (i) Discounts used to establish the salvage price will be limited to those that are usual, customary, and reasonable.
 - (ii) The salvage price will not be reduced for:
 - (A) Moisture content;
 - (B) Damage due to uninsured causes;
 - (C) Drying, handling, processing, or any other costs associated with normal harvesting, handling, and marketing of the crambe; except, if the salvage price can be increased by conditioning, we may reduce the salvage price after the production has been conditioned by the cost of conditioning but not lower than the salvage price before conditioning. We may obtain salvage prices from any buyer of our choice. If we obtain

salvage prices from one or more buyers located outside your local market area, we will reduce such salvage price by the additional costs required to deliver the crambe to those buyers; or

- (iii) Factors not associated with grading under the crambe grading standards of North Dakota Grain Inspection, Inc. including, but not limited to oil, will not be considered.

- (e) Any production harvested from plants growing in the insured crop will be counted as production of the insured crop on an unadjusted weight basis.

14. Late Planting.

In lieu of section 16(a) of the Basic Provisions, the production guarantee for each acre planted to the insured crop during the late planting period will be reduced by 1 percent per day for each day planted after the final planting date unless otherwise specified in the Special Provisions.

15. Prevented Planting.

In addition to the provisions contained in section 17 of the Basic Provisions, your prevented planting coverage will be 60 percent of your production guarantee for timely planted acreage. If you have limited or additional levels of coverage, as specified in 7 CFR part 400 subpart T, and pay an additional premium, you may increase your prevented planting coverage to the levels specified in the Actuarial Documents.