

UNDERWRITING STANDARDS
Fresh Market Bean Pilot Program
9/14/99

- 1 In general, the FCIC 18010 Crop Insurance Handbook (CIH) applies to Fresh Market Beans. Exceptions, changes, and additions are referenced in this supplement.
- A Fresh Market Beans are a category D, Dollar Plan Crop. CIH Sections 1 - 4 that apply to Category D crops apply to Fresh Market Beans.
- B Differences in the procedures are indicated on the Procedure Comparison & Reference Guide (See Section 5).
- 2 **CIH Section 4** - In addition to Section 4E, Endorsements and Options: **(NACAT→ Fresh Market Beans Minimum Value Option.**
- A Permits the insured to select the Minimum Value Option by electing Option I or Option II for Fresh Market Beans for which the actuarial table designates and rates for this option.
- B The provisions of this option are continuous and will be attached to and made a part of the insurance policy if the insured elects either Option I or Option II of the Minimum Value Option on the application if a new insured or on a new application or Risk Management Agency approved policy change form if a carryover insured. The appropriate form must be submitted on or before the sales closing date for the initial crop year in which the option is to be effective, and the insured must pay the additional premium indicated in the actuarial documents for this optional coverage.
- Note:** This option is not applicable to coverage under the Catastrophic Risk Protection Endorsement.
- C Option I of the Minimum Value Option allows the total value of the harvested production to be determined as follows:
- (1) 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

(2) 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 or defective due to insurable causes and is not marketable will not be counted as production).

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

E The option may be canceled for any succeeding crop year by giving written notice on or before the cancellation date preceding the crop year for which the cancellation of the option is to be effective. (←NACAT)

3 Section 6, Par. J of FCIC 18010 **APH Provisions by Crop**

Acceptable Supporting Records.

If farm management records are used to support production reports, they must be substantiated by records from a marketing outlet, processor, packer, first handler, etc. The unit of measure will be 30-pound bushels or cartons. Certified records may include a printout or receipt from each first handler of the crop for that crop year. A printout or receipt from a packing shed, processor, auction, marketing cooperative, jobber, commission merchant, sales broker, pick records [see CIH, Sec.10, Par. C (4) for acceptable pick records] or a warehouse receipt which shows total production and date of transaction is acceptable. Bin count, cartons, crates, bushels or pounds must be converted to the equivalent of 30-pound bushels or cartons.

4 A Summary of Harvested Production or similar approved form may be used to summarize the average value and harvested production for the insured crop.

5 Procedure Comparison & Reference Guide:

MPCI	Fresh Market Beans	Procedure References
Basic or Optional Units	Yes - Basic Units & Optional Units by Planting Period	CIH - Sec. 4 D(3) - D(5), Exhibit 1, & Exhibit 2
Summary of Harvested Production	Yes	FCIC 25770 - Sec. 8, Par. C