00-110

UNITED STATES DEPARTMENT OF AGRICULTURE
Federal Crop Insurance Corporation
STRAWBERRY 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.

Average price received - The average dollar amount per pound received by the insured for all strawberries sold determined by dividing total revenue received by total pounds.

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

Amount of insurance - The amount shown on the actuarial documents for the corresponding coverage level percentage you select.

Annual - Strawberry nursery stock transplanted into the insured field and destroyed prior to the following crop year.

Crop Year - The period from the date insurance attaches until harvest is normally completed, which is designated by the calendar year in which the majority of the strawberries are normally harvested.

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.

Harvest - The picking or removal of strawberries from the plant.

Marketable production - Strawberries that meet or exceed the grading standards specified in the Special Provisions, or would be accepted by a packer, processor, or other handler even if failing to meet grading standards.

Minimum Value - A dollar amount per pound shown in the Special Provisions that we will use to value marketable production.

Number of Pickings - Number determined by dividing the number of days from the first harvest through the date of damage by the picking factor specified on the Special Provisions.

Picking Factor - The estimated average number of days between strawberry harvests and shown on the Special Provisions.

Pound - Sixteen ounces avoirdupois.

Strawberry - The fruit of the Rosaceae Fragaria plant, grown for commercial sale and intended for human consumption.

Type - Describes the planting system used, such as "winter planting system" or "summer planting system".

2. Unit Division.

(a) In addition to the definition of "basic unit" in section 1 of the Basic Provisions, a basic unit may also be established by type.

(b) In addition to section 34(c)(1) of the Basic Provisions, optional units may be established if each optional unit is located on non-contiguous land, unless limited by the Special Provisions.

(c) Provisions contained in 34(c)(2) of the Basic Provisions, do not apply to strawberries.

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

(a) In addition to the requirements of section 3 of the Basic Provisions, you may select only a single coverage level and the corresponding amount of insurance designated in the actuarial documents for all strawberries in the county insured under this policy.

(b) In lieu of the production reporting requirements in section 3 of the Basic Provisions, any reporting requirements for this crop will be specified in the Special Provisions.

4. Contract Changes.

In accordance with section 4 of the Basic Provisions, the contract change date is June 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 August 31 for Louisiana and July 31 for all other States.

6. Insured Crop.

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

(1) In which you have a share;
(2) That are of varieties adapted to the area;
(3) That are grown as an annual;
(4) That are transplanted;
(5) That are grown in accordance with any cultural requirements that may be specified in the Special Provisions;
(6) That are irrigated;
(7) That are grown for commercial sale; and
(8) That are grown by a person who in at least one of the three previous crop years produced, or managed a farm that produced, the minimum amount of strawberries specified in the Special Provisions for commercial sale.

(b) Acreage planted before the beginning of the insurance period will not be insurable, unless we inspect the acreage and determine that it meets insurability requirements.

7. Insurable Acreage

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

(a) We will not insure;

(1) Any acreage that does not meet the cultural requirements contained in the Special Provisions; and
(2) Any acreage planted prior to the earliest planting date if one is specified in the Special Provisions.

(b) Any acreage of the insured crop damaged before the final planting date, to the extent that a majority of producers in the area would normally not further care for the crop, must be replanted unless we agree that it is not practical to replant. It will not be considered practical to replant if transplants are not available.

8. Insurance Period.

In addition to the provisions of Section 11 of the Basic Provisions:

(a) Coverage begins on each unit of part of a unit:

(1) For the 2000 crop year, on October 1, 1999 unless we inspect the acreage and determine that it does

not meet insurability requirements contained in this policy.

(2) For the 2001 and subsequent crop years, the date when the strawberries are transplanted.

(b) Coverage ends on each unit or part of a unit at the earliest of:

(1) The date harvest should have started on acreage that will not be harvested; or

(2) The calendar date following planting:

(i) April 30, for Florida; or

(ii) July 3l, for all other states.

9. Causes of Loss.

(a) In accordance with the provisions of section 12 of the Basic Provisions, insurance is provided only against the following causes of loss that occur within the insurance period:

(1) Adverse weather conditions;

(2) Fire;

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

(4) Wildlife;

(5) Earthquake;

(6) Volcanic eruption;

(7) Failure of the irrigation water supply from an insurable cause specified in this section 9(a)(1) through (6) that occurs during the insurance period; or

(8) Any other causes of loss as shown on the Special Provisions.

(b) In addition to the causes of loss excluded in section 12 of the Basic Provisions, we will not insure against damage or loss due to:

(1) Failure to harvest in a timely manner;

(2) The inability to market the strawberries for any reason other than actual physical damage from an insurable cause specified in this section. For example, we will not pay you an indemnity if you are unable to market due to quarantine, boycott, or refusal of any person to accept production; or

(3) Soil salinity.

10. Duties in the Event of Damage or Loss.

In addition to the requirements of section 14 of the Basic Provisions, the following will apply:

(a) You must notify us within 3 days of the date harvest should have started if the crop will not be harvested.

(b) If damage occurs during harvest, and you do not intend to complete harvesting the crop, you must notify us immediately so that we can inspect the insured acreage.

(c) You must notify us at least 5 days before any production from any unit will be sold by direct marketing.

(1) We may conduct an initial inspection and appraisal (if needed), before the production to be direct marketed is harvested.

(2) If damage occurs, you must notify us immediately and the following will apply:

(i) We will conduct an inspection.

(ii) The inspection and acceptable records (as described in the Special Provisions) provided by you will be used to determine your production value to count.

(iii) If you continue to care for the crop, the calculation of the value of the production to count, as specified in section 11(c)(4), will be suspended until you notify us of the date of the first harvest of direct marketed production after damage.

(3) Failure to give timely notice that production will be sold by direct marketing will result in an appraised amount of not less than the dollar amount of insurance per acre if such failure results in our inability to make a required inspection or appraisal.

(d) If you intend to claim an indemnity on any unit, you must notify us at least 5 days prior to the beginning of harvest, or immediately if damage is discovered during harvest.

(e) You must not destroy the damaged plants until after we have given you written consent to do so. If you fail to meet the requirements of this section and such failure results in our inability to inspect the damaged production, an appraised amount of not less than the guarantee as production to count will result.

11. Settlement Of Claim.

(a) We will determine your loss on a unit basis. In the event you are unable to provide separate, acceptable marketing records:

(1) For any optional unit, we will combine all optional units for which such marketing 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 by the amount of insurance per acre;

(2) Subtracting from the result of section 11(b)(1)

(i) For other than catastrophic risk protection coverage, the total value of production to be counted (see section 11(c) ; or

(ii) For catastrophic risk protection coverage, the result of multiplying the total value of production to be counted (see section 11 (c) by fifty-five percent; and

(3) Multiplying the result of section 11(b)(2) by your share.

For example, on a unit:

You have 100 percent share in 10 acres of strawberries with an amount of insurance of $5,500 per acre. The total value of your production to count is $10,500. Your indemnity will be calculated as follows:

(i) 10 acres x $5,500 = $55,000 amount of insurance;

(ii) $55,000 amount of insurance - $10,500 production value = $44,500 loss; and

(iii) $44,500 x 100 percent share = $44,500 indemnity payment.

(c) The total value of production to count from all insurable acreage on the unit will include:

(1) Not less than the amount of insurance per acre for any acreage:

(i) That is abandoned;

(ii) Put to another use without our consent;

(iii) From which production is sold by direct marketing and you fail to meet the requirements contained in section 10 (c).

(iv) That is damaged solely by uninsured causes; or

(v) That is not direct marketed, for which you fail to provide acceptable marketing records. The value of production to count for direct marketed production is contained in section 11(c)(4);

(2) The value of the appraised production. Appraised production will not be less than the dollar amount obtained by multiplying the pounds of appraised strawberries by the minimum value per pound

shown in the Special Provisions for:

(i) Potential production on any acreage that has not been harvested;

(ii) Unharvested production that is marketable but that is damaged or defective due to uninsurable causes;

(iii) Production lost due to uninsured causes; 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 it is prior to the initial harvest and 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. If you do not leave the required samples intact, or 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. The amount of production to count for such acreage will be based on:

(1) The harvested production, if applicable; and

(2) Appraisals based on the expected remaining production adjusted for any reduction in plant stand; or

(B) If it is after the initial strawberry harvest, the amount of remaining production to count for such acreage will begin with the next strawberry harvest or appraisal when the next harvest should have occurred. The amount of production to count for such acreage will be based on:

(1) The harvested production, if applicable; and

(2) Appraisals based on the expected remaining production adjusted for any reduction in plant stand; and

(3) The total value of all harvested production from the insurable acreage. The value of such harvested production will be the dollar amount obtained by subtracting the allowable cost contained in the Special Provisions from the average price received per pound for all strawberries sold (this result may not be less than the minimum value shown in the Special Provisions), and multiplying this result by the pounds of marketable strawberries. Harvested production that is damaged or defective due to insurable causes, and that is not marketable, will not be counted as production.

(4) The value for direct marketed production as determined by the inspection and acceptable records provided by you. The value of such harvested production will be the dollar amount obtained by subtracting the allowable cost contained in the Special Provisions from the average price received per pound for all strawberries sold (this result may not be less than the minimum value shown in the Special Provisions), and multiplying this result by the pounds of marketable strawberries. If acceptable records of strawberry production are not provided by you, the value of the production to count per acre will be determined by multiplying the estimated pounds of strawberries as specified on the Special Provisions times the estimated number of pickings times the minimum value.

12. Late and Prevented Planting.

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

13. Written Agreements.

The written agreement provisions in section 18 of the Basic Provisions are not applicable.

14. Modified Minimum Value Option.

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

(1) You elect **either** Option I **or** Option II of the Modified 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 strawberries under this option, and pay the additional premium indicated in the actuarial documents 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 11(c)(3) and 11(c)(4), the total value of harvested production will be determined as follows:

(1) For sold production, the dollar amount obtained by subtracting the allowable cost contained in the Special Provisions from the average price received for all pounds of strawberries sold (this result may not be less than the modified minimum value option contained in the Special Provisions that you chose for any pound of strawberries), and multiplying this result by the pounds of strawberries sold;

(2) For marketable production that is harvested, but not sold, the dollar amount obtained by multiplying the pounds of such strawberries on the unit by the minimum value shown in the Special Provisions that applies without regard to the choice of the modified minimum value option (harvested production that is damaged or defective due to insurable causes and is not marketable will not be counted as production).

(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.