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HYBRID SEED RICE CROP INSURANCE STANDARDS HANDBOOK

2016 and Succeeding Crop Years

**RISK MANAGEMENT AGENCY
KANSAS CITY, MO 64133**

TITLE: Hybrid Seed Rice Crop Insurance Standards Handbook	NUMBER: FCIC-20280U
EFFECTIVE DATE: 2016 and succeeding crop years	ISSUE DATE: November 24, 2015
SUBJECT: Provides the underwriting procedures and instructions for administering the Hybrid Seed Rice insurance program.	OPI: Product Administration and Standards Division
	APPROVED: /s/ Tim B. Witt Deputy Administrator for Product Management

REASON FOR ISSUANCE:

The Hybrid Seed Rice Crop Insurance Standards Handbook is being issued and effective for the Hybrid Seed Rice program available beginning with the 2016 crop year.

HYBRID SEED RICE CROP INSURANCE STANDARDS HANDBOOK

CONTROL CHART:

Hybrid Seed Rice Crop Insurance Standards Handbook							
	TP Page(s)	TC Page(s)	Text Page(s)	Exhibit Number	Exhibit Page(s)	Date	Directive Number
Insert	Entire Handbook						
Current Index	1-2	1-2	1-13	1-7	14-25	11-2015	FCIC-20280U

FILING INSTRUCTIONS:

This handbook is effective for the 2016 and succeeding crop years and is not retroactive to any prior crop year determinations.

HYBRID SEED RICE CROP INSURANCE STANDARDS HANDBOOK

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(RESERVED)

PART 1 GENERAL INFORMATION & RESPONSIBILITIES

1. General Information

A. Purpose & Objective

The purpose of the handbook is to provide instructions for establishing crop insurance coverage for the HSR CP.

- (1) This handbook shall provide instructions for establishing crop insurance coverage in accordance with the HSR CP and as a supplement to the CIH and any other issuance that may be referenced herein.
- (2) The entire GSH applies to the HSR CP. All provisions within the CIH for Yield Based Dollar Amount of Insurance Plans apply to HSR unless specifically identified in this handbook. This handbook supersedes the procedures in the GSH and CIH when there is a conflict and will identify specific responsibilities for HSR coverage after the application for HSR is made and accepted.
- (3) When the HSR CP application is accepted, the CP forms for HSR coverage are:
 - (a) Basic Provisions (11-BR),
 - (b) 15-CCIP Farm Bill Amendment,
 - (c) Ineligibility Amendment, and
 - (d) Hybrid Seed Rice Crop Provisions (16-0080).
- (4) The HSR Crop Insurance Program is a Yield Based Dollar Amount of Insurance Plan that is grown under contract with a hybrid seed company. The CIH applies and provides instruction for coverage and insurability determinations in conjunction with the BP and HSR CP.
- (5) For the purposes of the HSR CP, rice characteristics for rice being grown for seed shall be an appropriate rice variety that is provided by the HSR company and approved by RMA.
- (6) This HSR CISH provides specific information regarding the administration and underwriting of the HSR. All procedures, rules, and requirements for HSR will follow the procedures and provisions in the CIH, BP, and HSR CP, except for the differences indicated in this handbook.
- (7) If a conflict exists between the language of this handbook and the BP and/or HSR CP; the HSR CP, as applicable, will control.

1. General Information (Continued)

B. Source of Authority

The HSR CP is approved by the FCIC Board of Directors under Section 508(h) of the Federal Crop Insurance Act. This handbook, in conjunction with other applicable handbooks, provides the FCIC approved procedures for administering the program.

C. Program Duration

The HSR CP is available beginning with the 2016 crop year and is authorized until terminated by the FCIC Board of Directors.

D. AIP Option to Offer

Because this is a product approved under Section 508(h) of the Federal Crop Insurance Act, AIPs are not required to offer the HSR to insureds. Accordingly, each AIP must determine whether they will offer the HSR in the designated approved areas. AIPs that elect to offer the program must offer it to all eligible producers in the approved areas and must administer the HSR according to the procedures in this handbook.

E. Approved Area

The HSR CP is available where premium rates and other actuarial materials are included in the actuarial documents for the county.

F. Applying for Hybrid Seed Rice

- (1) AIPs shall use the standard crop insurance application for the HSR CP.
- (2) The HSR Crop Provisions are available for CAT coverage.

2. Responsibilities

A. AIP

AIPs must use standards, procedures, methods and instructions as authorized by FCIC in the sale and service of crop insurance contracts. Each AIP is responsible for using FCIC-approved procedure. AIPs should report any program issues or concerns to the Product Administration and Standards Division of RMA.

B. Insured

- (1) To be eligible for the HSR CP, insureds must elect the HSR CP on the application form by the appropriate SCD and comply with all terms and conditions of the BP and the HSR CP.

2. Responsibilities (Continued)

B. Insured (Continued)

- (2) All production and acreage reports must be timely submitted by the applicable production and acreage reporting dates and shall include all HSR in the county.

C. Agent/AIP

- (1) To be eligible for the HSR CP, insureds must comply with all terms and conditions of the BP and the HSR CP. Refer to exhibit 3 for a list of responsibilities at the time of damage or loss.
- (2) The application for HSR insurance uses the same processes as other hybrid seed insurance. Refer to exhibit 4 for completion instructions.

3. County Yield for Hybrid Seed Rice

Yields are established by county and used to calculate the amount of insurance. The Hybrid Seed Yield that applies at each coverage level is in the actuarial documents. The insured may elect a coverage level (associated yield), as well as a price election.

4. Amount of Insurance

- (1) The amount of insurance is the County Yield minus any minimum guaranteed payment (in pounds) provided by the seed company times the price election. The amount of insurance for hybrid seed approximates the dollar value of insurance of hybrid rice planted for grain.
 - (a) The basis of insurance for hybrid seed is female acres.
 - (b) Acreage planted to the male inbred line is not insurable.
- (2) The insured must accurately report the acreage occupied by the female inbred line. An example of a standard planting pattern practice is planting the male and female inbred in a planting pattern that is 30 continuous feet of female parent plants followed by 15 continuous feet of male parent plants. This results in 67 percent of the total acreage being occupied by the female inbred line. This is the concept underlying the determination of the amount of insurance.

5-10 (Reserved)

PART 2 HYBRID SEED RICE CROP PROVISIONS

11. Background Information

- (1) The HSR is available beginning with the 2016 crop year for states and counties listed in the actuarial documents. The HSR does not affect CIH and insurance determinations related to coverage and insurability of the underlying rice crop insured under the HSR CP.
- (2) HSR coverage is based on the standard flood irrigation practice, which is required. The insured must have the irrigation equipment, water supply, and use associated appropriate farm management practices to be eligible for HSR insurance.
- (3) The HSR is elected at the time of application or by the SCD for rice using standard application procedures.
- (4) Standard acreage reporting procedures apply, except the insured must submit maps or aerial photos that clearly identify the unit and individual fields within each unit shown on the acreage report. The HSR company will provide the AIP with a copy of the processor contract for the AIP to validate the acreage reported to be HSR production acreage. The processor contract is proprietary to the HSR company and shall be treated as confidential.
- (5) Notices of damage or loss, loss adjustment, and HSR payments are determined on an individual unit basis following loss adjustment procedures contained in the HSR LASH.
- (6) Coverage under the HSR will attach when the HSR crop is planted. The insured crop will be HSR that is being grown under contract between a producer and a HSR company.
- (7) No indemnity will be paid on a unit if the hybrid seed company fails to provide the AIP with records requested to determine the dollar value per pounds of production for each variety within 30 days of the end of the insurance period (refer to exhibit 7).

12. Availability

- (1) The HSR CP is available only in counties where the actuarial documents designate the availability of HSR and the actuarial documents provide a premium rate for HSR CP.
- (2) Any of the insured HSR crop that is under contract with different seed companies may be insured under separate policies with different AIPs provided all acreage of the insured crop in the county is insured. If the insured elects to insure the insured crop with different AIPs, the insured agrees to pay separate administrative fees for each insurance policy.

13. Yield Based Factor & Approved Yield Request

- (1) RMA will require a YBF for HSR companies; note this procedure in the CIH. An annual update of actual and expected yields is required by each HSR company. RMA ROs will request additional information when needed.
- (2) RMA ROs will provide approved yields for insured HRS crosses upon request. These requests must be received by the applicable RMA RO no later than the calendar date for the end of the insurance period. Requests submitted to the RMA RO after the end of the insurance period may be authorized; however, the RMA RO will provide the number of late requests by each AIP to the RMA Reinsurance Services Division.
- (3) Agents initiate approved yield requests by preparing and sending a Hybrid Seed Yield Request to the AIP. The AIP forwards the request to the appropriate RMA RO. If the hybrid seed company has not already completed the HSR Yield History Report for each insured hybrid, the AIP will assist the seed company by providing blank forms if necessary. The seed company will return the completed Yield History Report (not a RMA form standard) to the RMA RO. Refer to exhibit 5 for an example Yield History Report.

14. Eligibility

A. Insured's Eligibility

Insureds must:

- (1) be in an eligible county for HSR;
- (2) be insured under the BP and HSR CP; and
- (3) have adequate water and irrigation equipment to appropriately grow HSR;
- (4) have a processor contract executed with the HSR company to produce HSR before the acreage reporting date;
- (5) plant the HSR variety(s) that meet the HSR company requirements; and
- (6) follow recognized HSR production practices as outlined in the processor contract with the HSR company. Failure to follow these practices shall cause the HSR crop to be uninsurable.

Exception: A commercial HSR producer who is also a commercial HSR company (as defined in the policy) may be able to insure the HSR or crop if the following requirements are met:

- (a) The seed company has an insurable interest in the HSR crop;
- (b) Before the SCD, the Board of Directors of the HSR company has executed and adopted a corporate resolution containing the same terms as an acceptable HSR processor contract;

14. Eligibility (Continued)

A. Insured's Eligibility (Continued)

- (c) Sales records for at least the previous years' seed production must be provided to confirm that the HSR company has produced and sold HSR; and
- (d) An inspection reveals that the storage and drying facilities satisfy the definition of a HSR company.

B. Eligible Acreage

- (1) All insurable planted HSR acreage of insurable rice types must be insured in the county where the HSR is offered as specified in the actuarial documents.
- (2) The crop insured will be:
 - (a) all the female parent plants in the county in which the insured has a share, for which a premium rate is provided by the actuarial documents, and
 - (b) acreage planted for harvest as commercial HSR (not experimental or grow out) according to the requirements of HSR seed processor contract and the production management practices of the HSR company; and
 - (c) all female acreage unless exceptions are allowed by the SP; HSR shall not be:
 - (i) planted with a mixture of female and male parent seed in the same row;
 - (ii) planted for any purpose other than for commercial HSR (no experimental or grow out hybrids are insurable);
 - (iii) interplanted with another crop; or
 - (iv) planted into an established grass or legume.
 - (d) insurable when an instrument in the form of a "lease" under which the insured retains control of the acreage on which the insured crop is grown and that provides for delivery of the crop under substantially the same terms as a HSR processor contract. It will be treated as a contract under which the insured has an insurable interest in the crop.
- (3) Acreage planted to HSR under a flood irrigation system must have:
 - (a) irrigation equipment that is well-maintained and in good working order; and
 - (b) a water source that is sufficient to meet the needs of the HSR crop.

14. Eligibility (Continued)

B. Eligible Acreage (Continued)

- (4) Insurance coverage is not provided on acreage:
 - (a) that is planted and occupied exclusively by male parent plants;
 - (b) not in compliance with the rotation requirements contained in the SP or, if applicable, required by the HSR processor contract; or
 - (c) either the female or male parent plants are damaged before the final planting date and the AIP determines that the insured crop is practical to replant but it is not replanted.
- (5) Insurance coverage is not provided against loss of production because of:
 - (a) the use of un-adapted, incompatible, or genetically deficient male or female parent plant seed;
 - (b) failure to follow the requirements stated in the HSR processor contract and production management practices of the HSR company;
 - (c) inadequate germination, even if resulting from an insured cause of loss, unless the insured has given the AIP notice of probable loss at least 15 days before the beginning of harvest if inadequate germination is anticipated on any unit; or
 - (d) failure to plant the male parent plant seed at a time or in a manner sufficient to assure adequate pollination of the female parent plants, unless the insured is prevented from planting the male parent plant seed by an insured cause of loss. Should the processor contract require multiple (more than one) plantings of male plants several days apart, insurance will still attach whenever at least one planting of male plants was planted in a timely manner, only if the processor agrees to accept the production with only one planting of male plants.

C. Election

Prevented planted acreage is not insurable under the HSR. Coverage must be elected on the application on or before the applicable SCD for HSR in the eligible county.

D. Continuous Crop Provisions

The HSR is a continuous policy and will be in effect unless:

- (1) it is cancelled in writing by the insured on or before the applicable cancellation date for the effective crop year;
- (2) the HSR CP is terminated by the FCIC; or

14. Eligibility (Continued)

D. Continuous Crop Provisions (continued)

- (3) it is determined by the AIP that the irrigation equipment is not adequate or in proper operating condition to meet the water source and application requirements for HSR production. This is a requirement within the HSR company processor contract.

15. Acreage Reporting Guidelines

A. Acreage Reporting

- (1) HSR insured acreage is reported by the acreage reporting date as shown in the applicable county actuarial document. A copy of the processor contract will be submitted by the HSR company to the AIP 30 days before the submission of the insured's acreage report. This is a confidential contract and the HSR company may request the AIP to enter into a confidentiality agreement before sending a copy of the processor contract.
- (2) HSR acreage for the unit is reported to RMA separately on the acreage report and designated by the crop code "0080" contained in the actuarial documents.
- (3) A statement by the insured is required on the acreage report to identify the amount of any minimum guaranteed payment provided by the insured's processor contract with a HSR company.
- (4) The amount of insurance must be reduced if there is a minimum guaranteed payment.
 - (a) Deduct any minimum guaranteed payment that is denominated in pounds from the yield that is used to establish the amount of insurance.
 - (b) If the minimum payment is stated in dollars, divide the amount by the price election.
 - (c) Round the result to the nearest whole pound and subtract it from the Hybrid Seed Yield.

B. Unit Division

- (1) For any processor contract that stipulates the amount of production to be delivered:
 - (a) in lieu of the definition of "basic unit" contained in the BP, a basic unit will consist of all acreage planted to the insured crop in the county that will be used to fulfill a HSR processor contract;
 - (b) there will be no more than one basic unit for all production contracted with each processor contract;

15. Acreage Reporting Guidelines

B. Unit Division

- (c) in accordance to section 12 of the HSR CP, 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; and
 - (d) optional units will not be established for production based processor contracts.
- (2) For any processor contract that stipulates a number of acres to be planted:
- (a) in lieu of the definition of “basic unit” contained in the BP, a basic unit will consist of all acreage planted to the insured crop in the county that will be used to fulfill a HSR processor contract;
 - (b) in accordance to section 12 of the HSR CP, 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; and
 - (c) optional units may be established for acreage based processor contracts if production records support such unit division.
- (3) Whole Farm and Enterprise units are not applicable to HSR production.

16. Premium Determination

The premium amount for HSR coverage will be determined by multiplying the number of the insured acres of HSR by the coverage per acre, by the factor for the level of coverage in the actuarial, by the premium rate for the hybrid rice seed contained in the actuarial documents, and by the percentage of projected price.

Example: Guarantee Amount per Acre Data:

T-yield	= 8,144 lb. per acre
RMA-ADM Female-Only Factor	= 1.34
Coverage Level Factor	= 1.00
Minimum Payment Quantity	= \$0.00
Price Election Factor	= 1.00
Projected Price	= \$0.112 per lb.

Guarantee Amount per Acre Formula:

Guarantee Amount per Acre = [(T-Yield x Female-Only Factor x Coverage Level Factor) – Minimum Payment Quantity] x Price Election Factor x Projected Price

Guarantee Amount per Acre:

$[(8,144 \times 1.34 \times 1.00) - \$0.00] \times 1.00 \times \$0.112 = \$1,222.25$

16. Premium Determination (Continued)

Example: **Liability Amount per Acre Data:**
(continued) Insured Share Percent = 1.00

Liability Amount per Acre Formula:

Liability Amount per Acre = Guarantee Amount per Acre x Insured Share Percent

Liability Amount per Acre:

$\$1,222.25 \times 1.00 = \$1,222.25$

Premium Amount per Acre Data:

Base Premium Rate = \$0.082

Unit Structure Discount Factor = 1.00

Optional Rate Factor (H&F Exclusion) = 1.00

Experience Factor = 1.00

Multiple Commodity Adjustment Factor = 1.00

Premium Amount per Acre Formula:

Premium Amount per Acre = Liability Amount per Acre x Base Premium Rate x Unit Structure Discount Factor x Optional Rate Factor x Experience Factor x Multiple Commodity Adjustment Factor

Premium Amount per Acre:

$\$1,222 \times \$0.082 \times 1.00 \times 1.00 \times 1.00 \times 1.00 = \100.20

17. Written Agreements

No written agreements may be issued for HSR,

18-20 (Reserved)

PART 3 PAYMENT RULES

21. General Information

- (1) HSR payments will not be made on any HSR acreage that:
 - (a) is harvested before meeting the notice requirements contained in the HSR; and
 - (b) does not meet the eligibility requirements of the HSR.
- (2) In certain situations, producers may be granted approval from AIPs to leave one complete planting pattern in the field, which will be identified as a “strip,” if acreage is damaged and an adjuster cannot get to the insured in a timely fashion. In such cases the “strip” will be carried to harvest and the harvested production, with corresponding weight tickets and moisture adjusted to 12.5%, will be used for verification and validation of loss.

22. Qualifications for a Hybrid Seed Rice Payment

To qualify for a HSR payment, the HSR acreage must:

- (1) be eligible acreage; and
- (2) be under a processor contract with a HSR company; and
- (3) be planted to an approved rice variety from the HSR company.

23-30 (Reserved)

PART 4 PAYMENT CALCULATIONS

31. General Information

The HSR payment calculation methodology is the same as contained in the HSR LASH and is applicable to HSR.

32. Payment Calculations – Dollar Value & Approved Yield Request

A. Dollar Value Per Pound

The dollar value per pound is calculated by the AIP at the time of loss. It is multiplied by the seed production to count to obtain the value of seed production used to calculate the indemnity. The dollar value per pound equals the amount of insurance (dollars) divided by the approved yield times the coverage level. A hybrid with one approved yield can have more than one dollar value per pound because the amounts of insurance may vary.

Dollar Value per Pound = Amount of Insurance (Dollars/Acre) divided by (Approved Yield (Pounds/Acre) x Coverage Level (%))

B. Approved Yield Request

The AIP must request approved yields from the RMA RO to determine HSR indemnities. Refer to exhibit 7 for loss notification and yield issuance processes. To calculate an approved yield for each insured hybrid cross, two types of yield history must be obtained from the seed company.

- (1) Actual Yield Histories for Prior and Current Hybrid Crosses.
 - (a) Each year a seed company must report all actual and expected yields for all hybrid crosses produced in the previous year. The Hybrid Seed Coordinator in the appropriate RMA RO requests this data in correspondence sent directly to HSR companies each year. From this prior yield data, RMA determines the YBF that is used to calculate approved yields when actual yield history is limited for a hybrid cross the HSR company intends to produce.
 - (b) When the RMA Hybrid Seed Coordinator requests prior yield data, it also informs the HSR company that a HSR Yield History Report must be completed and submitted to the appropriate RMA RO for each hybrid cross the seed company intends to produce in the current crop year. This report must be completed by the HSR company, by plant/facility location, by practice, for each hybrid cross identification. Yield information from this report and the YBF are used to calculate the approved yield for each hybrid cross by HSR company plant location.
- (2) Issuance of approved yields. The Hybrid Seed Coordinator/appropriate RMA RO, calculates and issues approved yields for hybrid crosses when:

32. Payment Calculations – Dollar Value & Approved Yield Request (Continued)

B. Approved Yield Request (continued)

- (a) a “Hybrid Seed Yield Request” prepared by the AIP is received by the RMA RO;
- (b) the YBF has been calculated by the appropriate RMA RO from data supplied by the seed company; and
- (c) the “Hybrid Seed Rice Yield History Report” has been completed by an authorized HSR company representative and received by the Hybrid Seed Coordinator/appropriate RO.

C. Hybrid Seed Rice Payment

The final amount of the HSR payment is determined by the procedures contained in the HSR LASH.

33-40 (Reserved)

Acronyms & Abbreviations

The following table provides the acronyms and abbreviations used in this handbook.

Approved Acronym/Abbreviation	Term
AIP	Approved Insurance Provider
APH	Actual Production History
BP	Basic Provisions
CAT	Catastrophic Risk Protection
CIH	Crop Insurance Handbook (FCIC-18010)
CISH	Crop Insurance Standards Handbook
CP	Crop Provisions
CRE	Commercial Rice Equivalent
FCIC	Federal Crop Insurance Corporation
GSH	General Standards Handbook (FCIC-18190)
HSR	Hybrid Seed Rice Crop Provisions
LAM	Loss Adjustment Manual (FCIC-25010)
LASH	Loss Adjustment Standards Handbook
RMA	Risk Management Agency
RO	Regional Office
SCD	Sales Closing Date
SP	Special Provisions
YBF	Yield Based Factor

Definitions

Adjusted yield means an amount determined by multiplying the county yield by the coverage level factor.

Amount of insurance per acre means a dollar amount determined by multiplying the adjusted yield by the price election you select and subtracting any minimum guaranteed payment, not to exceed the total compensation specified in the hybrid rice seed processor contract. If your hybrid rice seed processor contract contains a minimum guaranteed payment that is stated in pounds, as hundred weights per acre, we will convert that value to dollars by multiplying it by the price election you selected.

Approved yield means, in lieu of the definition contained in the Basic Provisions, an amount FCIC determines to be representative of the yield that the female parent plants are expected to produce when grown under specific production practice. FCIC will establish the approved yield based upon records provided by the hybrid seed rice company and other information it deems appropriate.

Pound means one pound avoirdupois of the insured crop.

Certified seed test means a warm germination test performed on clean seed according to specifications of the “Rules for Testing Seeds” of the Association of Official Seed Analysts.

Commercial hybrid seed rice means the offspring produced by crossing a male and female parent plant, each having a different genetic character. This offspring is the product intended for use by an agricultural producer to produce commercial field rice.

Condemned means the rejection of areas found unsuitable for harvest as seed line.

Contamination means the pollination of the seed line by other than the donor male line (self or outside source pollination).

Contour Field and Precision Graded Field means a field with an elevation change from one end of the field to another. Field will have internal levees surveyed at intervals recommended by agricultural experts.

County yield refers to an amount contained in the actuarial documents that is established by FCIC to represent that yield that a producer of hybrid seed rice would be expected to produce if the acreage had been planted to commercial field rice.

Coverage level factor means a factor contained in the Special Provisions to adjust the county yield for commercial field rice to reflect the higher value of hybrid seed rice, such as, the elected coverage level divided by 75% or as determined by the FCIC.

Cross, Single means plants resulting from the crossing of two inbred lines.

Dollar value per pound means an amount that determines the value of any seed production to count. It is determined by dividing the amount of insurance per acre by the result of multiplying the approved yield by the coverage level percentage, expressed as a decimal.

Definitions (Continued)

Drying means a process of removing moisture from the hybrid seed rice (18-20% down to 12.5%) using low heat (95-100 degrees) and forced air in a 7-10 day process.

Female parent plants mean rice plants that are grown for the purpose of producing commercial hybrid seed rice and are male sterile.

Field run means commercial hybrid seed rice production before it has been screened or processed.

Flood Irrigation means intentionally covering the planted acreage with water and maintaining it at a proper depth throughout the growing season.

Flush means the practice of providing surface irrigation to a seeded rice field to enhance stand establishment and to prevent soil crusting.

Germination cold test means a seed evaluation process for determining potential field emergence under unfavorable conditions (7 days @ 50 then 7 days @ 77 degrees with light).

Germination warm test means a germination test for determining the percent germination producing normal seedlings under favorable conditions (warm, wet environment – 14 days @ 77 degrees).

Good farming practices mean, in addition to the definition contained in the Basic Provisions, those practices required by the hybrid seed rice processor contract.

Harvest means combining, threshing or picking of the female parent plants to obtain commercial hybrid seed rice. A crop that is swathed before combining is not considered harvested.

Headed means the plant's head has emerged from the leaf sheath and is visible to the naked eye.

Heading means at least 50 percent of the crop has headed.

Hybrid Seed Rice means a product of crosses between two unrelated genetic lines (strains) of rice.

Hybrid Seed Rice Processor contract means an agreement executed in writing between the hybrid rice seed crop producer and a hybrid seed rice company containing, at a minimum:

- (1) The producer's promise to plant and grow male and female parent plants, and to deliver all commercial hybrid rice seed produced from such plants to the hybrid seed rice company;
- (2) The hybrid seed rice company's promise to purchase the commercial hybrid seed rice produced by the producer; and

Definitions (Continued)

- (3) Either a fixed price per unit of measure (per pound) of the commercial hybrid seed rice or a formula to determine the value of such seed. Any formula for establishing the value must be based on data provided by a public third party that establishes or provides pricing information to the general public, based on prices paid in the open market (such as commodity futures exchanges), to be acceptable for the purpose of this policy.

Example: Grower A can receive a CRE up to 8,500 lbs./acre x current Arkansas Farm Bureau Weekly price + Loan Value based upon a 63/72 milling yield. 8,200 lbs. x \$6 premium + \$7.02 Loan Value. There are additional bonuses available to arrive at final grower payment.

Inadequate germination means germination of less than 70 percent of the commercial hybrid seed rice as determined by using a certified seed test.

Inbred means a self-pollinated pure genetic line.

Isolation means an area required to be planted to either the donor male line or some crop other than rice to prevent genetic contamination of the seed line from wind-born pollen from neighboring fields.

Insurable interest means the share of the financial loss that occurs when seed production is damaged by an insured cause of loss.

Local market price means the cash price offered by buyers for any production from the female parent plants not considered commercial hybrid seed rice under the terms of this policy.

Male line means the male parent, pollen donor, or pollinator (which is not insurable).

Male parent plants mean rice plants grown for the purpose of pollinating female parent plants.

Male-sterile cytoplasm means plants which have a sterile gene that prevents the production of viable pollen.

Minimum guaranteed payment means a minimum amount (usually stated in dollars or pounds) specified in your hybrid seed rice processor contract that will be paid or credited to you by the hybrid seed rice company regardless of the quantity of seed produced.

Non-seed production means production that does not qualify as seed production because of inadequate germination.

Non-seed production to count means all rice not qualifying as seed because of insurable causes for which there is a market value.

Planted acreage means in addition to the definition contained in the Basic Provisions, the insured crop must be planted in the same manner as commercial rice unless otherwise provided by the Special Provisions.

Definitions (Continued)

Planting pattern means the arrangement of rows of the male and female parent plants in a field. An example of a planting pattern for hybrid rice is 30 continuous feet of female parent plants followed by 15 continuous feet of male parent plants.

Practical to replant means, in addition to the definition contained in the Basic Provisions, either the female or male parent plant. It will not be considered practical to replant unless production from the replanted acreage can be delivered under the terms of the hybrid rice seed processor contract, or the hybrid seed rice company agrees that it will accept the production from the replanted acreage.

Sample means, for the purpose of the certified seed test, at least three pounds of randomly selected field run rice seed for each type or variety of commercial hybrid seed rice grown on the unit.

Hybrid Seed Rice company means a business enterprise that possesses all licenses for marketing commercial hybrid seed rice required by the state in which it is domiciled or operates, and which possesses facilities with enough storage and drying capacity to accept and process the insured crop within a reasonable amount of time after harvest. If the hybrid seed rice company is the insured, it must also be a corporation.

Rogue means off-type plant or impurity.

Seed line means female parent plants (only insurable plants).

Seed production (seed production to count) means all seed produced by female parent plants with a germination rate of at least 70 percent as determined by a certified seed test.

Shatter means mature seeds that fall to the ground from excessive wind or other cause of damage.

Strip means one complete planting pattern of female acreage in the field that can be used to determine a loss.

Synch or Nick means the matching of the stages of development between the male lines (pollination) and the seed line (stigma receptivity) to insure proper pollination.

Treating means the application of a fungicide to protect seedlings during germination and emergence.

Type means hybrid seed rice grain parent plants.

Variety means the name, number or code assigned to a specific genetic cross by the seed company or the Special Provisions for the insured crop in the county.

Zero grade field means a field with no change in elevation from one end of the field to another. Field will not have internal levees.

Responsibilities – At the Time of Damage or Loss

A. Insured

- (1) In addition to section 14 of the BP, the insured must:
 - (a) give notice within 24 hours of damage during the first 30 days of the growing season so a minimum stand can be determined; or
 - (b) give notice of probable loss at least 15 days before the beginning of harvest if you anticipate inadequate germination on any unit.
- (2) The insured shall allow the AIP access to the HSR unit location to inspect the crop, water source, equipment, and management practices.
- (3) The insured must leave representative strips of at least one complete planting pattern of the female and male parent plant rows of the unharvested crop that extends the entire length of each field in the unit. Strips will be harvested to determine actual production. The harvested production actual yield weights that are adjusted to 12.5% moisture content will be used to determine the extent of the damage or loss.
- (4) The insured shall provide a completed copy of the current HSR processor contract to the adjuster unless a copy already has been provided to the AIP by the HSR company, and the HSR company certifies that such contract is used for all its growers without any waiver or amendment.

B. Agent

- (1) Notify the insured that:
 - (a) a separate notice will be required if additional hybrid seed rice acreage is damaged; and
 - (b) consent must be given by an AIP to put any hybrid seed rice acreage to other use or be destroyed.

C. Loss Adjuster

- (1) Review the Notice of Loss and any accompanying documentation. Based on this review, conduct any necessary inspections.
- (2) Notify the insured if the inspection will be delayed and provide an estimated inspection date.
- (3) Conduct an inspection of HSR unit acreage and determine damage and eligibility for an indemnity payment (refer to the HSR LASH for inspection and form completion requirements).

Responsibilities – At the Time of Damage or Loss (Continued)

C. Loss Adjuster (continued)

- (a) If harvest of the unit is not complete and the insured intends to destroy (such as, plow, burn, flood, etc.) the unharvested acreage, consent to destroy the crop is required.
 - (b) Give consent to destroy the unharvested acreage, at the unit level or following each individual location inspection, as applicable.
- (4) Complete the Production Worksheet, obtain signatures, and submit to the AIP for processing.

Form Standards - Application

Complete the crop insurance application as instructed by the AIP. The HSR Application shall be submitted to the AIP. To apply for HSR, verify or make the following entries on the insurance application:

Element/Item Number	Description
1. Crops	"Hybrid Seed Rice."
2. Plan of Insurance / Coverage / & % of Price	Enter "Dollar Plan" and other appropriate information.
3. Insured County	Enter the appropriate information indicating the county where the hybrid seed rice is being grown and for which there is a rate in the county actuarial.
4. Plan Code	Enter plan code "0080" for HSR.
5. Coverage Level %	Enter the appropriate coverage level percent.
6. % of Price Election / Projected Price / & Amount of Insurance	Enter the calculated dollars of coverage for hybrid seed rice.
7. For New Policies Only / Hail Plan	Enter the appropriate crop hail plan number here when the Hail and Fire exclusion is taken.
8. For New Policies Only / \$ Acre	Enter the dollar value of the crop hail coverage purchased for the indicated crop hail plan.
9. Remarks	Document any needed or necessary notes to support the application process for hybrid seed rice coverage.

Form Standards – Yield History Report & Yield Request Form

- (1) The HSR company shall create a Yield History Report form with the required information as indicated below, which will be sent yearly to the RMA RO.
- (2) The HSR company and agent shall create a Yield Request form with the required information as indicated below, which will be sent to the RMA RO, to request an Approved Yield.
- (3) The form shall have the following required entries for each individual HSR that will be insured:

Element	Description
Hybrid Identification	Enter the appropriate hybrid identification number/code.
Type of Cross _ Single _ Modified Single _ Three Way _ Four Way	Indicate the applicable type of cross.
Planting Method	Identify the appropriate planting method used.
Are the male pollinators interplanted? _ Yes _ No	Indicate whether the male plants are interplanted.
Expected or Anticipated Production Yield	Record and document the expected or anticipated production yield.
Yield must be on the basis as the yield provided below by county.	Enter the yield based on the growing area/counties.
Growing Area/Counties	Record the growing area/counties.
Actual yield data for all growers about/by hybrid identification at this specific plant location.	Enter the applicable “Irrigated Production and Acreage.” To each column add the following sub-columns: “Total Female Field Production (Pounds); “Total Female Acres Planted (Acres), Yield = Female Production/Female Acres Planted” and “Crop Year.”
Irrigated Production and Acreage	Enter the irrigated production and acreage.
Total Female Field Production (Pounds)	Enter the total female field production.
Total Female Acres Planted (Acres)	Enter the total female acres planted.
Yield = Female Production/Female Acres Planted	Enter the yield. The yield equals the female production divided by the female acres planted.
Crop Year	Enter the crop year.

Form Standards – Yield History Report & Yield Request Form (Continued)

Element	Description
Field Production Data	<p>On the created table include the following note: “The field production data must be based on determinations obtained and calculated on harvested production delivered to the plant before any production entering the seed conditioning process. Hence, the field production data and the pounds per total planted female acre are accepted by FCIC as harvested production leaving the field and delivered to the HSR company’s plant before entering any of the seed conditioning process (such as drying, shelling, screening, etc.) only. The reported amount of harvested production must be adjusted by you for moisture and foreign material as necessary. When applicable, the production data reported must include the production figures determined for calculating any prior indemnified losses.”</p>
Indicate the manner in which the requested information and data were determined/calculated.	<p>One of the following methods describes the manner in which the requested information and yield data has been determined and/or calculated; the method used must be indicated.</p> <p>For determining the quantity of mature field production:</p> <ol style="list-style-type: none"> (1) Harvested rice was adjusted .12 for each .1 percentage point of moisture to 12.5. (2) All records of harvested field seed production provided by the HSR company were adjusted to 12.5% at 45 pound test weight.

Form Standards – Approved Yield Form**HYBRID SEED RICE APPROVED YIELDS**

FOR CROP YEAR: **YYYY** TYPE: **210** PRACTICE: **003**

BY SEED COMPANY'S INDIVIDUAL PLANT/FACILITY LOCATION

SEED COMPANY'S NAME AND IDENTIFICATION CODE NUMBER: Hybrid Seed Rice Co. (XX)	AGENCY OFFICE/INSURANCE COMPANY NAME: Any Agency, Any Company	
INDIVIDUAL PLANT/FACILITY COMPLETE ADDRESS: Any Town, Any State XXXXX	ADDRESS: Any Town, Any State XXXXX	
	AGENCY PHONE NUMBER: XXX-XXX-XXXX	
APPROVED HYBRID SEED RICE YIELD IS APPLICABLE ONLY FOR THE COUNTY(IES) LISTED BELOW	HYBRID IDENTIFICATION	APPROVED YIELD
Any county	10W	40

The field production data was based on determinations obtained and calculated on harvested production delivered to the plant before any production entering the seed conditioning process. Hence, the field production data supplied and the FCIC approved yield for the hybrid are determined from harvested production leaving the field and delivered to the seed company's plant before entering any of the seed conditioning process (such as drying, shelling, screening, etc.). The reported amount must be adjusted according to policy and/or procedural provisions for moisture and foreign material (such as husks, stalks, etc.).

For the purpose of determining the quantity of mature field production, the following method - as checked - was indicated and utilized by the seed company and is the basis used to compute the approved yield.

- ☐ (A) Rice was adjusted .12 percent for each .1 percentage point of moisture to 12.5 percent.
- ☐ (B) The seed company provided all records of harvested field seed production adjusted to a commercial rice basis of 12.5 percent moisture, and 45 pound test weight. The harvested field production records of the seed company will be used to determine the amount of indemnity; provided, that such harvested field production records are based on the same harvested field production criteria stated and described in the opening first paragraph and located immediately below the county name(s) and hybrid identification(s) as the criteria used to determine the approved yield.

In the event of a loss, notwithstanding the terms and conditions of the insurance policy, the insured's possible claim for indemnity will be determined/calculated according to the insurance contract and the loss adjustment procedures using the same basis for determining production as indicated by the above checked box.

As stated in the policy's provisions, the insured must establish the total production for the type and variety of the crop on the unit at the time of harvest. Claim for indemnity and loss adjustment procedures are established by the insurance policy and related documents.

Before the final settlement of a claim, the final disposition of all production, appraised and harvested, must be verified and documented.

The value per pound is determined by multiplying the approved yield by the insured's coverage level to establish the guarantee per acre and dividing the insured's amount of insurance by the guarantee/acre.

Notice of Loss & Approved Yield Processes

The dotted lines below indicate indemnity calculation and payment.

