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SUGARCANE INSURANCE STANDARDS HANDBOOK

2017 and Succeeding Crop Years

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

TITLE: SUGARCANE INSURANCE STANDARDS HANDBOOK	NUMBER: FCIC-24350
EFFECTIVE DATE: 2017 and succeeding crop years	ISSUE DATE July 29, 2016
SUBJECT: Provides the underwriting procedures and instructions for administering the Sugarcane crop insurance program.	OPI: Actuarial and Product Design Division
	APPROVED: /s/ <i>Thomas W. Worth</i> Acting Deputy Administrator for Product Management

REASON FOR ISSUANCE

This handbook is being issued to provide underwriting standards for administering the Sugarcane Crop Insurance Program beginning with the 2017 crop year.

SUGARCANE INSURANCE STANDARDS HANDBOOK

CONTROL CHART

Sugarcane 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	1-9	1	10	07-2016 07-2016	FCIC-24350 FCIC-24350

FILING INSTRUCTIONS

This handbook is effective for the 2017 and succeeding crop years.

SUGARCANE INSURANCE STANDARDS HANDBOOK

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PART 1 GENERAL INFORMATION AND RESPONSIBILITIES

1 General Information

A. Purpose

The purpose of the handbook is to provide instructions for establishing crop insurance coverage and to adjust losses in accordance with the CP, and as a supplement to the General Standards Handbook - 18190 (GSH), Crop Insurance Handbook - FCIC 18010 (CIH), the Loss Adjustment Manual - FCIC 25010 (LAM), the Sugarcane Loss Adjustment Standards Handbook - FCIC 25460 (LASH), and any other issuance that may be referenced herein.

B. Authority

The Sugarcane Crop Insurance Program has been revised to incorporate changes made through a submission approved by the FCIC Board of Directors under Section 508(h) of the Federal Crop Insurance Act

C. Program Duration

The Sugarcane Crop Insurance Program is available until cancelled or extended by the FCIC Board of Directors.

2 Responsibilities

A. AIP Responsibilities

AIPs will utilize this handbook and other standards, procedures, and instructions as authorized by RMA for the purpose of selling and servicing the Sugarcane Crop Insurance Program. AIPs should report program issues or concerns to RMA.

B. Insured's Responsibilities

To be eligible for the Sugarcane Crop Insurance Program, insureds must comply with all terms and conditions of the BP and the CP.

3-10 (Reserved)

PART 2 STANDARDS AND INSTRUCTIONS

11 Operational References

In general, the CIH, GSH, LAM, and LASH apply to the Sugarcane Crop Insurance Program. Exceptions, changes, and additions necessary for and unique to sugarcane are referenced in this handbook. All procedures, rules, and requirements for Category B APH crops apply except as noted herein, and are supplemented with additional instructions in this handbook.

12 Overview of Changes

This handbook is new for the 2017 crop year. Any changes for succeeding crop years will be issued prior to the contract change date.

13-20 (Reserved)

PART 3 GENERAL STANDARDS HANDBOOK

21 General Changes and Additions

Changes and additions to the GSH for sugarcane are described in this part. Sections of the GSH not listed below, but that are specifically applicable sugarcane, or to category B crops, are also applicable.

22 GSH Exhibit 1B - Definitions

The definitions in Exhibit 1B for the terms listed below are amended as follows:

Crop year - In lieu of the definition of "crop year" contained in Exhibit 1B, a crop year is the period within which the insured sugarcane is normally grown and is designated by the calendar year in which the harvest of sugarcane normally begins in the county.

23 GSH Exhibit 8A Crop Policy Information

The following is added to Exhibit 8A:

2017 CROP POLICY INFORMATION								
APH Crops	FCIC		Crop Category, APH Yield Tolerance	(L) Prev. Planting (P)	Replant	Unit of Measure	Units by: Basic (B) Optional (O) Enterprise (E) ⁴	High- Risk Land Exclusion Option ¹
	Policy	CP						
Sugarcane	11- BR	11- 0038	B, 2% ²			lbs.	B/O/E	Yes ³

1 Applies to additional coverage only

2 Tolerance for APH field reviews

3 Requires insured's signature, refer to the Actuarial Documents

4 EU(s) if provided for in the Special Provisions

24-40 (Reserved)

PART 4 CROP INSURANCE HANDBOOK

41 General Changes and Additions

Changes and additions to the CIH for sugarcane are described in this part. Sections of the CIH not listed below, but that are specifically applicable sugarcane, or to category B crops, are also applicable.

42 CIH Part 10 - Units

Section 2 Optional Units

Paragraph 1021C(2) is revised to include Sugarcane when the SP allows optional units by Farm Service Agency farm serial number, or by section or section equivalent.

43 CIH Part 12, Section 2, Paragraph 1214 Prevented Planting Acreage

The prevented planting provisions in paragraph 1214 are not applicable. There is no prevented planting coverage.

44 CIH Part 12, Section 2, Paragraph 1215 Late Planted Acreage

The late planting provisions in paragraph 1215 are not applicable. There is no coverage for acreage planted after the final planting date.

45 CIH Part 19 - Additional Provisions by Crop

The following is added to paragraph 1921B of Section 1 - Category B Crops:

- (1) In cases where sugarcane insurance was not in force the prior year, producers are required to report damage that occurred prior to the beginning of the insurance period. The report must include the number of acres and location of the damaged stubble cane, and must be provided to us no later than January 31 in Louisiana or April 30 in all other states.
- (2) After receiving the report, the AIP will appraise the damaged stubble cane acreage to determine the amount of damage that occurred, and the approved yield will be reduced based on the estimate of the effect of damage that occurred prior to the beginning of the insurance period. The appraisal will be completed by April 30 in Louisiana or by May 31 in all other states. If the producer fails to provide the report, the AIP will reduce the approved yield any time it becomes aware of the circumstance.

46-50 (Reserved)

PART 5 OTHER HANDBOOKS

51 Prevented Planting Loss Adjustment Standards Handbook

Prevented planting coverage is not available for sugarcane. The Prevented Planting Loss Adjustment Standards Handbook is not applicable.

52 Loss Adjustment Manual (LAM) Standards Handbook

The provisions set forth in the LAM apply to sugarcane, except as noted in the Sugarcane LASH or if in conflict with the policy provisions or this guide.

53 Sugarcane LASH

The provisions set forth in the Sugarcane LASH are applicable.

54-60 (Reserved)

PART 6 POLICY DOCUMENTS, INSURABILITY, AVAILABLE COVERAGE LEVELS, AND CALCULATION OF AN INDEMNITY

61 Policy Documents

The policy consists of the application for insurance, Basic Provisions (11BR or successor document), Sugarcane Crop Provisions, Special Provisions, Actuarial Documents, and, if elected by the producer, the Catastrophic Risk Protection Endorsement (15-CAT or successor document).

62 Insurability and Eligibility Requirements

A. Policy

The Sugarcane CP's provide insurance coverage for sugarcane grown for processing for sugar or for seed.

B. Insurable Acreage

- (1) In addition to the acreage excluded from insurance as specified in the BP, the following acreage is not eligible for insurance:
 - (a) Acreage that exceeds the age limitations contained in the SP, unless the AIP agrees in writing to insure such acreage; or
 - (b) Acreage on which sugarcane is interplanted with another crop, unless allowed by a written agreement.
- (2) Section 9(a)(2)(4) of the Basic Provisions is not applicable. There is no requirement to replant insured sugarcane.

C. APH Database

There is a lag period of one year in the APH database. For example, the producer is required to report production for the 2015 crop year by the required date for the 2017 crop year. Production from acreage cut for seed is to be reported as specified in paragraph 1921 of the CIH.

D. Practices

Insurable practices will be identified in the actuarial documents.

62 Insurability and Eligibility Requirements (Continued)

E. Units

Coverage is available for basic and optional units as specified in the BP. However, the SP may provide for optional units by Farm Service Agency Farm Serial Number in addition to optional units by section or section equivalent in some areas. In such areas, optional units will be available by Farm Service Agency Farm Serial Number, or by section or section or section equivalent, but not both.

F. Duties in the Event of Damage or Loss

In accordance with the requirements of section 14 of the Basic Provisions, if the insured initially discovers damage within 15 days of or during harvest, she or he must leave representative samples of the unharvested crop for the AIP's inspection. Representative samples of the unharvested crop must be at least 10 feet wide and the entire length of the field. The unharvested samples and the stubble on the harvested acreage must be destroyed until the earlier of the AIP's inspection or 15 days after harvest of the balance of the unit is completed.

G. Late Planting

Late planting coverage for sugarcane is not available. Late planted acreage must be reported as uninsurable.

63 Coverage Levels

Insureds may select coverage levels from the catastrophic (CAT) level through 85 percent of the approved yield.

64 Indemnity Calculation Example

Indemnity Example Data	
Approved Yield per Acre	6,000 lbs.
Coverage Level	70%
Insured Acres	280.0
Price Election	\$0.1200
Prod. To Count	740,000 lbs.
Share	1.000

The claim will be calculated as follows:

Line	Variable		Formula
1	Insured Acres	280.0	
2	Coverage Level	70%	
3	Approved Yield per Acre	6,000 lbs.	
4	Production Guarantee per Acre	4,200 lbs.	L2 x L3
5	Production Guarantee	1,176,000 lbs.	L1 x L4
6	Price Election	\$0.12	
7	Value of Production Guarantee	\$141,120	L5 x L6
8	Production to Count	740,000 lbs.	
9	Value of Production to Count	\$88,800	L6 x L8
10	Value of Prod. Guarantee Minus Value of Production to Count	\$52,320	L7 - L9
11	Share	1.000	
12	Indemnity	\$52,320	L10 x L11

65-70 (Reserved)

PART 7 STATES AND COUNTIES/PARISHES

71 Insurance Availability

Sugarcane crop insurance is available as provided in the actuarial documents.

72-80 (Reserved)

Acronyms and Abbreviations

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

Approved Acronym/Abbreviation	Term
AIP	Approved Insurance Provider
BP	Common Crop Insurance Policy Basic Provisions
CAT	Catastrophic Risk Protection
CIH	Crop Insurance Handbook, FCIC-18010
CP	Crop Provisions
EU	Enterprise Unit
FCIC	Federal Crop Insurance Corporation
GSH	General Standards Handbook, FCIC-18190
LAM	Loss Adjustment Manual, FCIC-25010
LASH	Loss Adjustment Standards Handbook, FCIC 20140U
RMA	Risk Management Agency
SCD	Sales Closing Date
SP	Special Provisions