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Department of  
Agriculture



Federal Crop  
Insurance  
Corporation

FCIC-24350 (06-2017)  
FCIC-24350-1 (06-2018)

# **SUGARCANE INSURANCE STANDARDS HANDBOOK**

## **2018 and Succeeding Crop Years**

RESERVED

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

<b>TITLE: SUGARCANE INSURANCE STANDARDS HANDBOOK</b>	<b>NUMBER: FCIC-24350 FCIC-24350-1</b>
<b>EFFECTIVE DATE: 2018 and succeeding crop years</b>	<b>ISSUE DATE June 28, 2018</b>
<b>SUBJECT:</b>  <b>Provides the underwriting procedures and instructions for administering the Sugarcane crop insurance program.</b>	<b>OPI: Actuarial and Product Design Division</b>
	<b>APPROVED:</b>  <i>/s/ Richard H. Flourney</i>  <b>Deputy Administrator for Product Management</b>

**REASON FOR AMENDMENT**

This handbook is being issued to provide underwriting standards for administering the Sugarcane Crop Insurance Program beginning with the 2018 crop year.

Major changes: See changes or additions in text which have been **highlighted**. Three stars (\*\*\*) identify information that has been removed.

1. Paragraph 46 C - Revised language to clarify reporting of seed acreage for actual production history purposes.

# 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
Remove	1-2		5-10			06-2017	FCIC-24350
Insert	1-2		5-10			06-2018	FCIC-24350-1
Current Index	1-2	1-4	1-4 5-10 11-16	1-2	17-18	06-2018 06-2017 06-2018 06-2017	FCIC-24350-1 FCIC-24350 FCIC-24350-1 FCIC-24350

## FILING INSTRUCTIONS

The handbook pages listed in the Control Chart above under the “Insert” heading replace such pages in the 2018 Sugarcane Insurance Standards Handbook, FCIC-24350 (June 2017). These handbook revisions are effective for the 2018 and succeeding policy years and is not retroactive to any 2017 or prior policy year determinations, except where stated.

## PART 4 CROP INSURANCE HANDBOOK

### 41 General Changes and Additions

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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 9 - Endorsements and Options

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Sections 901 and 902 are applicable and the following is added to Part 9:

#### A. Availability

The CRE is available for additional coverage policies in counties where the actuarial documents provide a premium rate for the CRE.

#### B. Application, Cancellation, and Transfers

The CRE must be elected on or before the SCD and is continuous unless cancelled by the insured or the AIP. Cancellation of the CRE must occur on or before the cancellation date specified in the CP. Coverage under the CRE does not automatically transfer if the policy is transferred to a different AIP. In this case, the insured must again elect the CRE on or before the SCD.

#### C. Coverage

- (1) The CRE provides for a crop replacement payment when insurable plant cane or first year stubble cane is damaged and is replaced or destroyed.
- (2) The insurance period under the CRE begins:
  - (a) For plant cane, on the later of the day the application for coverage under the CRE is accepted or the time of planting; or
  - (b) For first year stubble cane, on the later of the day the application for coverage under the CRE is accepted or August 1. After the year of application, coverage begins on August 1.
- (3) The calendar date for the end of the insurance period under the CRE is July 31.
- (4) If elected, all insurable plant cane and first year stubble cane must be insured under the CRE.

**C. Coverage (continued)**

- (5) Only one replacement payment may be made on the same acreage under the policy for a single crop year. A replacement payment may be made only if:
  - (a) The acreage insured under the CRE is damaged by an insured cause of loss specified in the CP;
  - (b) The AIP determines the potential production is less than 50.0 percent of the yield used to determine the production guarantee, and gives the insured consent to replace or destroy the damaged crop; and
  - (c) The number of acres replaced or destroyed is at least the lesser of 20 acres or 20 percent of the insured acreage in the unit. For example, if 40.0 acres of plant cane and 40.0 acres of first year stubble cane are insured under the CRE, at least 16.0 acres must be replaced or destroyed (20.0% X 80.0 acres = 16.0 acres).

**D. Insured's Duties**

- (1) In addition to the duties specified in the BP and SP, if requested by the AIP, the insured must provide records or documents such as farm maps that indicate the location and number of acres of plant cane and first year stubble cane in the unit. If the insured fails to comply with this requirement and such failure results in the AIP's inability to determine the amount of the replacement payment, no payment will be made.
- (2) If the insured crop is destroyed and not replaced for the current crop year, a replacement payment may be made provided the insured:
  - (a) Certifies in writing that the damaged crop will be replaced on the same acreage within three crop years (e.g., if the 2018 crop is destroyed on or before the end of coverage under the endorsement (July 31, 2018), it must be replaced by the final planting date for the 2021 crop year; and
  - (b) Notifies the AIP when crop replacement is complete. If the insured does not notify the AIP and the AIP determines the damaged crop was not replaced by the time specified in subparagraph 42D(2)(a), the insured must return the crop replacement payment for the applicable acreage to the AIP.

## **43 CIH Part 10 - Units**

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### **Section 2 Optional Units**

Subparagraph 1021 C (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 as described in subparagraph 1021 B.

## **44 CIH Part 12, Section 2, Paragraph 1214 Prevented Planting Acreage**

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

## **45 CIH Part 12, Section 2, Paragraph 1215 Late Planted Acreage**

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

## **46 CIH Part 19 - Additional Provisions by Crop**

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In lieu of subparagraphs 1922A and 1922B(1) of Section 1 - Category B Crops, the following will apply:

### **A. Insurability Requirements**

- (1) When stubble cane, except that specified in subparagraph 46A(2), is damaged prior to the beginning of the insurance period, The AIP will appraise the acreage and notify the insured of any reduction in the yield used to determine the production guarantee or deny insurance no later than 30 days after the beginning of the insurance period.
- (2) When acreage in excess of 10.0 percent of the insured acreage in the unit exceeds age limitations specified in the SP, insurance attachment is delayed until April 30. On or before this date, the AIP will appraise the sugarcane and provide an agreement in writing to insure the acreage or deny insurance.
- (3) If the appraisal for acreage specified in subparagraph 46A(1) or (2) indicates the crop can produce at least 90.0 percent of the yield used to determine the production guarantee, insurance will be provided without adjustment to the yield used to determine the production guarantee. If it will not produce this amount, the AIP may reduce the yield used to determine the production guarantee and insure the acreage, provided the insured agrees, in writing, to the reduced yield. However, if the AIP determines the acreage is damaged to the extent it will not produce 50.0 percent of the yield used to determine the production guarantee, the AIP will deny insurance for the acreage.

**B. Applications for Increased Coverage After Insurance Attachment**

When an insured applies for increased coverage after notifying the AIP of damage or if the AIP determines damage occurred prior to the application for increased coverage, the AIP will appraise the damaged acreage no later than 30 days after receiving the application for increased coverage.

- (1) If the crop can produce at least 90 percent of the yield used to determine the production guarantee, the application for increased coverage will be accepted.
- (2) If the crop will produce less than 90 percent of the yield used to determine the production guarantee, the AIP will adjust the yield, and the crop will be insured provided the insured agrees to the reduced yield.
- (3) If subparagraph 46B(1) or (2) is not applicable, the AIP will deny the request for increased coverage.

**C. Determining APH Production**

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- (1) The insured must provide the number of acres cut for seed by unit. This information must be submitted to the AIP by the acreage reporting date (e.g., when 2018 crop year acreage is reported, the number of acres of seed cut from the 2017 crop must also be provided).

- (a) If seed acreage and yield was determined for a unit under the CP and CIH in effect for the 2017 crop year or there was a claim for indemnity, no further reporting of 2017 crop year seed acres is required. For example, 2017 crop year acres cut for seed were appraised as allowed under the procedures in effect for the 2017 and prior crop years. No further reporting of the 2017 crop year seed acres is required. The next required report of seed acres occurs when the insured reports 2018 crop year acres cut for seed by the ARD for the 2019 crop year.

- (b) If seed acreage information was provided for claim purposes for a prior crop year, no further reporting of the prior year seed acres is required (e.g., if 2018 crop year seed acreage information was provided for a 2018 crop year claim, it is not necessary to provide the information again by the 2019 crop year acreage reporting date).

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- (c) When prior crop year seed information is provided, the amount of production included on the insured's production report will be the number of acres cut for seed multiplied by the amount of harvested or appraised production per acre from the remainder of acres in the unit. See exhibit 2 for an example of the Sugarcane Seed Acre Production Worksheet. A copy of this document must be retained in the insured's insurance file.

**C. Determining APH Production (continued)**

- (d) **When prior crop year seed information is** not provided, no production from acreage cut for seed will be included on the insured's production report. For example, an insured has 75.0 insured acres in a unit, cuts 5.0 acres for seed, and produces 210,000 lbs. of sugar. In this example, 210,000 lbs. of sugar and 75.0 acres will be shown on the production report.
  
- (2) Production reports for the 2017 and prior crop years may be revised to include production for acreage cut for seed if such production was not previously included as directed in subparagraph 1922B(1) of the CIH **AND** there was no claim for indemnity on the unit. The insured must certify the number of acres cut for seed and maintain supporting FSA records or farm management records. The amount of production allotted to acreage cut for seed will be determined in accordance with subparagraph 46C(1)(c).

**47-50 (Reserved)**

## **PART 5 OTHER HANDBOOKS**

### **51 Prevented Planting Loss Adjustment Standards Handbook**

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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**

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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**

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The provisions set forth in the Sugarcane LASH are applicable.

**54-60 (Reserved)**