

## Organic Pilot Endorsement

This endorsement is available for the 2001 through 2003 crop years, if allowed by the actuarial documents. If you elect this endorsement for one or more crops, it will remain in effect through the 2003 crop year, unless you or we cancel it in writing on or before the crop cancellation date shown in the applicable crop provisions preceding the crop year for which cancellation of this endorsement is to be effective. This endorsement will terminate at the end of the insurance period for the 2003 crop year, unless extended by us in writing before that date.

### 1. Definitions

**Buffer zone** - A clearly defined and identifiable boundary area (as identified in the organic plan) bordering an organic production site that is established to limit application of, or contact with prohibited substances from an adjacent area.

**Certificate** - A written document issued annually that identifies the name of the entity certified, effective date of certification, expiration date of certification, certificate number, types of products certified, and name and address of the certifying agency.

**Certification** - The annual procedure by which the certifying agency determines that the production operation is in compliance with the certifying agency's organic standards and which is documented by issuance of a certificate.

**Certified organic acreage** - Acreage certified by a certifying agency as organic and upon which:

- (a) A system of organic management is utilized that is in compliance with the certifying agency's organic standards; and

draft

- (b) Prohibited substances have not been applied for at least 36 months preceding harvest of the crop in accordance with the Federal Organic Foods Production Act of 1990.

**Certifying agency** - A private organization or state agency that verifies that products labeled as organic have been produced, processed, handled, or imported according to the certifying agency's standards.

**Conventional acreage** - Acreage that does not meet the requirements specified in this endorsement for transitional or certified organic acreage.

**Organic plan** - An annual, written plan that the producer and certifying agency agree upon for management of an organic crop. This plan describes the management practices and inputs the producer uses or intends to use and identifies all steps taken by the producer to maintain compliance with the certifying agency's organic standards.

**Transitional acreage** - Acreage that is being converted to certified organic acreage upon which a producer utilizes a system of organic management that is in compliance with the certifying agency's organic standards. This transitional period is at least 36 months.

2. In order to elect this endorsement for a crop, you must have:

- (a) Coverage in force under the Basic Provisions and applicable crop provisions; and
- (b) Not elected catastrophic risk protection coverage for the insured crop. If any crop is insured under this endorsement and you elect catastrophic risk protection coverage for that crop for a subsequent crop year, that election will be considered as notice of cancellation of this endorsement by you for that crop.

3. You must elect either or both of the options specified in (a) and (b) below. Such election must be made on your application or on a form approved by us, on or before the applicable sales closing date for each crop. Failure to make such election for a specific crop means that you have rejected the options and this endorsement will be void for that crop and all such acreage will be insurable under the provisions of the current policy in effect for the applicable crop. The options available under this endorsement are:
  - (a) Option I (Certified Organic Acreage), which provides coverage for insured crops produced on all insurable certified organic acreage; and
  - (b) Option II (Transitional Acreage), which provides coverage for insured crops produced on all insurable transitional acreage.
4. In return for payment of the additional premium designated in the actuarial documents, this endorsement is attached to and made part of the crop provisions for the elected insured crop, subject to the terms and conditions described herein. In the event of a conflict between this endorsement and the Basic Provisions, applicable crop provisions, any other endorsement or option, or applicable Special Provisions, this endorsement will control.
5. The additional premium and available price election for certified organic acreage and transitional acreage covered under this endorsement will be provided by the actuarial documents.
6. A basic unit, as defined in the policy for the insured crop, will also be divided into an additional basic unit for acreage covered under this endorsement. If enterprise or whole farm units have been elected, basic units or additional basic units are not applicable.

draft

7. In addition to the provisions contained in section 6 of the Basic Provisions:
  - (a) You must provide to us at the time you report your acreage for the applicable crop:
    - (1) A copy of a certificate that is in effect on that date for any certified organic or certified transitional acreage;
    - (2) Written documentation from a certifying agency indicating that you have an accepted organic plan for transitional acreage for which you do not have a certificate in effect on that date; and
    - (3) Records from the certifying agency showing the specific location of each field of transitional, certified organic, and/or conventional acreage;
  - (b) Any acreage planted to the insured crop in the buffer zone will be considered under this endorsement as if it were transitional acreage. Such acreage must be reported as transitional acreage on the acreage report with an explanation that such acreage is planted in the buffer zone;
  - (c) If you report acreage as certified organic or transitional and any such acreage did not qualify as certified organic or transitional acreage on the date you report such acreage, the acreage report will be revised to show the acreage as organic, transitional, or conventional, as the appropriate. Any acreage revised from certified organic or transitional to conventional will be insurable under the terms and conditions of the current policy in effect for the applicable crop; and
  - (d) If any acreage qualifies as certified organic or transitional on the date you report such acreage and such certification is subsequently revoked by the certifying agency, or the certifying agency no longer considers this acreage as transitional acreage for the remainder

draft

of the crop year, that acreage will remain insured under the reported type of acreage for which it qualified at the time the acreage was reported.

8. Farming practices recommended by the certifying agency (or in the absence of a certifying agency recommendation, the Cooperative State Research, Education, and Extension Service (CSREES) or other sources recommended by CSREES for the production of organic crops) are considered to meet the good farming practice requirements of the policy.
9. Contamination by either application or drift of prohibited substances or genetically modified organisms onto land on which crops are organically grown is not an insured peril.
10. We will adjust production to count for quality in accordance with the Basic Provisions, applicable crop provisions, Special Provisions (if applicable), or any other endorsement or option that is in effect, unless specified otherwise in the actuarial documents.
11. The provisions of this endorsement cannot be modified by written agreement.
12. If prevented planting provisions are applicable for the insured crop elected under this endorsement, the following provisions apply:
  - (a) The maximum acreage eligible for prevented planting coverage for each crop will be limited as specified in the prevented planting section of the Basic Provisions;
  - (b) In lieu of the provisions contained in the Basic Provisions that limit the maximum number of acres eligible for prevented planting coverage for a specific crop type, the maximum number of acres eligible for prevented planting coverage for certified organic or transitional acreage will be limited:
    - (1) For certified organic or certified transitional acreage, to the number of acres certified by

a certifying agency; and

(2) For transitional acreage that is not certified, to the number of acres designated as transitional in an organic plan that is accepted by a certifying agency;

(c) In lieu of the provisions contained in the Basic Provisions that specify prevented planting acreage within a field that contains planted acreage will be considered to be acreage of the same crop, type, and practice that is planted in the field, such acreage will be considered as the crop, type, and practice that is designated in the certificate or organic farm plan that is accepted by a certifying agency.