

## **SUMMARY OF CHANGES FOR THE SUNFLOWER SEED CROP PROVISIONS (98-078)**

The following is a brief description of changes to the crop provisions that will be effective for the 1998 crop year in counties with a November 30 contract change date. Please refer to the crop provisions for more complete information.

- The crop provisions have been modified to accommodate changes made to the Basic Provisions of the Common Crop Insurance Policy. These modifications may include, but are not limited to:
  - (a) Removal of some definitions now contained in the Basic Provisions;
  - (b) Removal of unit division provisions since provisions previously contained in section 2 regarding unit division requirements and unit structure by section, section equivalent, FSA farm serial number, and irrigated and non-irrigated practices, have been moved from the crop provisions to the Basic Provisions; and
  - (c) Modification of the late and prevented planting provisions.

**UNITED STATES DEPARTMENT OF AGRICULTURE**  
**Federal Crop Insurance Corporation**  
**Sunflower Seed 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**

**Harvest** – Combining or threshing the sunflowers for seed.

**Local market price** – The cash seed price per pound for oil type sunflower seed grading U.S. No. 2, or non-oil type sunflower seed with a test weight of at least 22 pounds per bushel and less than five percent (5%) kernel damage, offered by buyers in the area in which you normally market the sunflower seed. The local market price for oil type sunflower seed will reflect the maximum limits of quality deficiencies allowable for the U.S. No. 2 grade of sunflower seed. Factors not associated with grading of sunflower seed under the Official United States Standards for Grain including, but not limited to, oil or moisture content will not be considered.

**Planted acreage** – In addition to the definition contained in the Basic Provisions, sunflower seed must initially be planted in rows far enough apart to permit mechanical cultivation, unless otherwise provided by the Special Provisions, actuarial documents, or by written agreement.

**2. Insurance Guarantees, Coverage Levels, and Prices for Determining Indemnities**

In addition to the requirements of section 3 (Insurance Guarantees, Coverage Levels, and Prices for Determining Indemnities) of the Basic Provisions, you may select only one price election for all the sunflower seed in the county insured under this policy. Notwithstanding the preceding sentence, if the Special Provisions provide different price elections by type, you may select one price election for each sunflower seed type designated in the Special Provisions.

**3. Contract Changes**

The contract change date is November 30 preceding the cancellation date (see the provisions of section 4 (Contract Changes) of the Basic Provisions).

**4. Cancellation and Termination Dates**

In accordance with section 2 of the Basic Provisions, the cancellation and termination dates are March 15.

**5. Insured Crop**

In accordance with section 8 (Insured Crop) of the Basic Provisions, the crop insured will be all the oil and non-oil type sunflower seed in the county for which a premium rate is provided by the actuarial documents:

- (a) In which you have a share;
- (b) That is planted for harvest as sunflower seed; and
- (c) That is not (unless a written agreement allows otherwise):
  - (1) Interplanted with another crop; or
  - (2) Planted into an established grass or legume.

**6. Insurable Acreage**

In addition to the provisions of section 9 (Insurable Acreage) of the Basic Provisions:

- (a) We will not insure any acreage which does not meet

the rotation requirements shown in the Special Provisions; and

- (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 not normally further care for the crop, must be replanted unless we agree that it is not practical to replant.

**7. Insurance Period**

In accordance with the provisions of section 11 (Insurance Period) of the Basic Provisions, the calendar date for the end of the insurance period is November 30, immediately following planting.

**8. Causes of Loss**

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

- (a) Adverse weather conditions;
- (b) Fire;
- (c) Insects, but not damage due to insufficient or improper application of pest control measures;
- (d) Plant disease, but not damage due to insufficient or improper application of disease control measures;
- (e) Wildlife;
- (f) Earthquake;
- (g) Volcanic eruption; or
- (h) If applicable, failure of the irrigation water supply due to an unavoidable cause of loss occurring after the beginning of planting.

**9. Replanting Payments**

- (a) In accordance with section 13 of the Basic Provisions, a replanting payment for sunflower seed is allowed if the sunflowers are damaged by an insurable cause of loss to the extent that the remaining stand will not produce at least 90 percent of the production guarantee for the acreage and it is practical to replant.
- (b) The maximum amount of the replanting payment per acre will be the lesser of twenty percent (20%) of the production guarantee or 175 (pounds of seed), multiplied by your price election, multiplied by your insured share or the share determined in accordance with section 9(c), if applicable.
- (c) When more than one person insures the same crop on a share basis, a replanting payment based on the total shares insured by us may be made to the insured person who incurs the total cost of replanting. Payment will be made in this manner only if an agreement exists between the insured persons which:
  - (1) Requires one person to incur the entire cost of replanting; or
  - (2) Gives the right to all replanting payments to

one person.

- (d) When sunflower seed is replanted using a practice that is uninsurable as an original planting, the liability for the unit will be reduced by the amount of the replanting payment which is attributable to your share. The premium amount will not be reduced.

#### 10. Duties In The Event of Damage or Loss

In accordance with the requirements of section 14 (Duties in the Event of Damage or Loss) of the Basic Provisions, the representative samples of the unharvested crop must be at least 10 feet wide and extend the entire length of each field in the unit. The samples must not be harvested or destroyed until the earlier of our inspection or 15 days after harvest of the balance of the unit is completed.

#### 11. Settlement of Claim

- (a) We will determine your loss on a unit basis. In the event you are unable to provide records of production:

- (1) For any optional unit, we will combine all optional units for which acceptable records of production 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 on any unit by:

- (1) Multiplying the insured acreage of each type of sunflower seed by the production guarantee for the applicable type;
- (2) Multiplying each result by the price election for the applicable type;
- (3) Adding these values;
- (4) Multiplying the production to count of each type of sunflower seed by the price election for that type;
- (5) Adding these dollar values;
- (6) Subtracting the result of step (5) from the result of step (3); and
- (7) Multiplying the result by your share.

- (c) The total production (pounds) to count from all uninsurable acreage on the unit will include:

- (1) All appraised production as follows:
  - (i) Not less than the production guarantee for acreage:
    - (A) That is abandoned;
    - (B) Put to another use without our consent;
    - (C) Damaged solely by uninsured causes; or
    - (D) For which you fail to provide records of production that are acceptable to us;
  - (ii) Production lost due to uninsured causes;
  - (iii) Unharvested production (mature unharvested production may be adjusted for quality deficiencies and excess moisture in accordance with subsection 11(d)); and
  - (iv) Potential production on insured acreage you want to put to another use or you wish to abandon and no longer care for, if you and we agree on the appraised amount of

production. Upon such agreement, the insurance period for that acreage will end if you put the acreage to another use or abandon the crop. If agreement on the appraised amount of production is not reached:

- (A) If 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. (The amount of production to count for such acreage will be based on the harvested production or appraisals from the samples at the time harvest should have occurred. If you do not leave the required samples intact, or you 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.); or

- (B) If you elect to continue to care for the crop, the amount of production to count for the acreage will be the harvested production, or our reappraisal if additional damage occurs and the crop is not harvested; and

- (2) All harvested production from the uninsurable acreage.

- (d) Mature sunflower seed production may be adjusted for excess moisture and quality deficiencies. If moisture adjustment is applicable, it will be made prior to any adjustment for quality.

- (1) Production will be reduced by 0.12 percent for each 0.1 percentage point of moisture in excess of ten percent (10%). We may obtain samples of the production to determine the moisture content.

- (2) Production will be eligible for quality adjustment if:

- (i) Deficiencies in quality result in:

- (A) Oil type sunflower seed not meeting the grade requirements for U.S. No. 2 (grades U.S. sample grade) because of test weight, kernel damage (excluding heat damage), or a musty, sour or commercially objectionable foreign odor; or

- (B) Non-oil type sunflower seed having a test weight below 22 pounds per bushel or kernel damage (excluding heat damage) in excess of five percent (5%) or a musty, sour or commercially

- objectionable foreign odor; or
- (ii) Substances or conditions are present that are identified by the Food and Drug Administration or other public health organizations of the United States as being injurious to human or animal health.
- (3) Quality will be a factor in determining your loss only if:
- (i) The deficiencies, substances, or conditions resulted from a cause of loss against which insurance is provided under these crop provisions and within the insurance period;
  - (ii) All determinations of these deficiencies, substances, or conditions are made using samples of the production obtained by us or by a disinterested third party approved by us; and
  - (iii) The samples are analyzed by a grader licensed to grade sunflower seed under the authority of the United States Grain Standards Act or the United States Warehouse Act with regard to deficiencies in quality, or by a laboratory approved by us with regard to substances or conditions injurious to human or animal health. (Test weight for quality adjustment purposes may also be determined by our loss adjuster.)
- (4) Sunflower seed production that is eligible for quality adjustment, as specified in paragraphs 11(d)(2) and (3), will be reduced:
- (i) In accordance with quality adjustment factor provisions contained in the Special Provisions; or
  - (ii) As follows, if quality adjustment factor provisions are not contained in the Special Provisions:
    - (A) The market price of the qualifying damaged production and the local market price will be determined on the earlier of the date such quality adjusted production is sold or the date of final inspection for the unit. The price for the qualifying damaged production will be the market price for the local area to the extent feasible. Discounts used to establish the net price of the damaged production will be limited to those which are usual, customary, and reasonable. The price will not be reduced for:
      - (1) Moisture content;
      - (2) Damage due to uninsured causes; or
      - (3) Drying, handling, processing, or any other costs associated with normal harvesting, handling, and marketing of the sunflower seed; except, if the price of the damaged production can be increased by conditioning, we may reduce the price of the production after it has been conditioned by the cost of conditioning but not lower than the value of the production before conditioning. (We may obtain prices from any buyer of our choice. If we obtain prices from one or more buyers located outside your local market area, we will reduce such prices by the additional costs required to deliver the sunflower seed to those buyers.);
    - (B) The value of the damaged or conditioned production will be divided by the local market price to determine the quality adjustment factor; and
    - (C) The number of pounds remaining after any reduction due to excessive moisture (the moisture-adjusted gross pounds (if appropriate)) of the damaged or conditioned production will then be multiplied by the quality adjustment factor to determine the net production to count.
  - (e) Any production harvested from plants growing in the insured crop may be counted as production of the insured crop on a weight basis.

## 12. Prevented Planting

Your prevented planting coverage will be 60 percent of your production guarantee for timely planted acreage. If you have limited or additional levels of coverage, as specified in 7 CFR part 400, subpart T, and pay an additional premium, you may increase your prevented planting coverage to a level specified in the actuarial documents.