

**UNITED STATES DEPARTMENT OF AGRICULTURE
Federal Crop Insurance Corporation
Pilot Biotech Yield Endorsement**

This Pilot Biotech Yield Endorsement (BYE) is available beginning with the 2008 crop year and will terminate at the end of the 2011 crop year, unless the pilot is cancelled or extended by Federal Crop Insurance Corporation (FCIC). This BYE is attached to and made part of your policy and provides for a premium rate reduction provided you comply with all the terms and conditions stated herein.

Terms and Conditions

1. Definitions

- (a) **Eligible Policy and Plan of Insurance.** An Actual Production History, Crop Revenue Coverage, or Revenue Assurance plan of insurance that provides coverage for non-irrigated corn for grain, or any successors to these plans of insurance. All other plans of insurance and any policy with a Catastrophic Risk Protection Endorsement, regardless of whether the plan of insurance is available, are not eligible.
- (b) **Pilot Area.** The pilot BYE is available in all Illinois, Indiana, Iowa, and Minnesota counties in which an eligible policy and plan of insurance is offered, and other counties if contained in the Special Provisions or Actuarial Documents.
- (c) **Qualifying Hybrid.** A corn hybrid that contains a combination of the following three proprietary biotech traits developed and licensed by the Monsanto Company: YieldGard[®] Corn Borer, YieldGard[®] Rootworm, and Roundup Ready[®] Corn 2.

2. Premium Rate Reduction

- (a) Except as provided in section 2(b), the BYE premium rate reduction is applied at the unit level (For example, if you selected an enterprise unit, the BYE premium rate reduction is applied at the enterprise unit level, not the underlying basic or optional units that comprise the enterprise unit.).
- (b) For whole farm units, the BYE premium rate reduction is applied only to the insured corn acreage planted within the whole farm unit, not the other crops within the whole farm unit or the underlying basic or optional units that comprise the whole farm unit.
- (c) The amount of the BYE premium rate reduction varies by county, coverage level, plan of insurance, and may vary by year.
- (d) For eligible policies and plans of insurance that provide revenue protection based on prices or yields, or a combination of both, the BYE reduction is determined and applied to the yield risk component only.

3. Eligibility

- To be eligible for the BYE premium rate reduction, all of the following must be met:
- (a) You must comply with all the terms and conditions of this BYE.
 - (b) You must have in effect an eligible policy and plan of insurance.
 - (c) In addition to the policy provisions regarding acreage reporting, you must separately identify on the acreage report each unit meeting the requirements of section 3(d) or (e), as applicable.
 - (d) For basic and optional units, at least 75 percent of the total insured corn acreage planted, including any replanted acreage, in the unit must be non-irrigated corn for grain planted to a qualifying hybrid (Example: A total of 100 acres of insured corn is planted in a basic unit. To meet the requirements of this BYE, at least 75 of the 100 acres must be non-irrigated corn for grain planted to a qualifying hybrid. If more than 25 of the 100 corn acres are anything other than non-irrigated corn for grain planted to a qualifying hybrid, such as corn for silage, irrigated corn for grain, etc., the unit is not eligible for the BYE premium rate reduction.).
 - (e) For enterprise and whole farm units, at least 75 percent of the total insured corn acreage planted, including any replanted acreage, in the enterprise or whole farm unit, as applicable (not the underlying basic or optional units) must be non-irrigated corn for grain planted to a qualifying hybrid (Example: A total of 200 acres of insured corn is planted in an enterprise unit. To meet the requirements of this BYE, at least 150 of the 200 acres must be non-irrigated corn for grain planted to a qualifying hybrid. If more than 50 of the 200 acres are anything other than non-irrigated corn for grain planted to a qualifying hybrid, such as corn for silage, irrigated corn for grain, etc., the unit is not eligible for the BYE premium rate reduction.).
 - (f) On or before the acreage reporting date, you must submit to us all of the following:

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- (1) A completed and signed BYE Seed Dealer Certification Statement. A separate BYE Seed Dealer Certification Statement must be completed and signed by each seed dealer from which you obtained qualifying hybrid seed. A single BYE Seed Dealer Certification Statement may be used to identify multiple insureds if one person purchases qualifying hybrid seed for multiple insureds.
 - (2) Copies of purchase and return seed invoices that correspond to the BYE Seed Dealer Certification Statement. You must attach the copies to the applicable BYE Seed Dealer Certification Statement.
 - (3) A BYE Insured's Certification Statement signed by you.
4. **Spot-Checks, Reviews and Compliance**
- (a) In addition to Section 21 of the Basic Provisions, spot-checks and reviews may be performed at any time by us, anyone authorized by us, or any employee of USDA authorized to investigate or review a matter related to crop insurance, to verify:
 - (1) Compliance with the terms and conditions of this BYE, including testing of plants for the presence of required traits; or
 - (2) The information certified on the BYE Seed Dealer Certification Statement, including verifying the amount of qualifying hybrid seed obtained is adequate to meet the requirements of Section 3.
 - (b) If you are selected for spot-check or review:
 - (1) Your policyholder information may be provided to applicable persons for purposes of conducting compliance activities, including testing for the presence of the required traits; and
 - (2) You will be required to identify the physical location of the non-irrigated corn for grain acreage planted to a qualifying hybrid, and the physical location of any other corn planted within the unit. If non-irrigated corn for grain planted to a qualifying hybrid and any other corn is planted in alternating rows, you must specify the manner in which such acreage is planted (e.g. every 10th and 11th row is planted to non-qualifying hybrids).
- (c) If you do not comply with all terms and conditions of this BYE on ANY unit you reported as eligible for the BYE premium rate reduction, or you provide a false or fraudulent certification:
 - (1) Your policy will be void;
 - (2) You may be subject to administrative, civil or criminal sanctions, as applicable under the Basic Provisions; and
 - (3) You may still be required to pay 20 percent of the premium due under the policy in accordance with Section 27 of the Basic Provisions even though the policy is void.
5. **Prevented Planting**
This BYE only applies to planted acreage. Any acreage on which you are prevented from planting does not qualify for this BYE.
6. **Qualifying Hybrid Seed Availability**
The availability of this BYE does not guarantee the availability of qualifying hybrid seed.
7. **Written Agreements**
The BYE premium rate reduction does not apply to any unit with a written agreement, except for a written agreement that:
 - (a) Changes the premium rate or transitional yield for designated high-risk land; or
 - (b) Establishes optional units, as authorized by your policy.