

## **SUMMARY OF CHANGES FOR THE COARSE GRAINS CROP PROVISIONS (11-0041) (Released April 2010)**

The following is a brief description of the changes to the Coarse Grains Crop Provisions that will be effective for the 2011 crop year. Please refer to the Crop Provisions for complete information.

Either revenue protection or yield protection is available for soybeans, grain sorghum, and corn (however, for corn insured as silage, the harvest price will be set equal to the projected price so the producer will not have the benefit of price movement).

The paragraph immediately preceding section 1 that referred to the order of priority in the event of conflict has been removed. This information is contained in the Basic Provisions.

Section 1 - Revised the definition of "planted acreage" to remove the requirement that corn must be planted in rows far enough apart to permit mechanical cultivation. Revised the definition of "production guarantee (per acre)" for clarity.

Section 2 - Revised to specify the producer must elect to insure corn, grain sorghum or soybeans with either revenue protection or yield protection by the sales closing date. Removed provisions regarding selection of prices. These provisions are contained in the Basic Provisions.

Section 4 - Revised the cancellation and termination dates in certain counties.

Section 5 - Revised to incorporate the statement previously contained in the Special Provisions which specified high-oil corn blends containing mixtures of at least 90 percent high-yielding yellow dent female plants with high-oil male pollinator plants and commercial varieties of high-protein hybrids are insurable.

Section 7 - Revised the calendar dates for the end of the insurance period for corn insured as silage in certain states.

Section 8 – Revised to clarify that failure of the irrigation water supply that occurs during the insurance period is a covered cause of loss if such failure is due to a cause of loss specified in the Crop Provisions. Also, added a new section 8(i) to specify a change in the harvest price from the projected price is an insured cause of loss for revenue protection.

Section 9 - Revised to specify the actual cost for replanting is not considered when determining the amount of a replant payment. Removed the provision that allowed the person who incurred the total cost of replanting to receive the total replant payment when more than one person insured the crop on a share basis. Also revised to specify replant payments will be calculated using the projected price and production guarantee for the crop type that is replanted and insured. A revised acreage report will be required to reflect the replanted type, if applicable.

Section 10 - Revised to specify representative samples are required in accordance with section 14 of the Basic Provisions. Also added provisions to specify if the producer will harvest the crop in a manner other than as it was reported, the producer must notify the

insurance provider before harvest begins.

Section 11(a) - Revised to clarify that required records of production must be acceptable to the approved insurance provider for the acreage to qualify for unit division.

Section 11(b) - Revised to provide separate calculations for claims based on yield protection and revenue protection, and added examples.

Section 11(c)(1)(i) - Added provisions that specify appraised production for revenue protection will be not less than the amount of the production that when multiplied by the harvest price equals the revenue protection guarantee (per acre).

Section 11(c)(1)(i)(E) - Added provisions that specify if the crop will be harvested in a manner different than it was reported, appraised production will include not less than the production guarantee if the producer fails to give notice before harvest begins.

Section 11(d)(3) - Revised to incorporate the quality adjustment provisions previously contained in an amendatory endorsement.

Section 11(e) - Revised to change the reference of September 30 to the calendar date for the end of the insurance period to be consistent with the changes made in the calendar date for the end of the insurance period in section 7(b).

Section 12 - Removed the reference to limited level of coverage.

UNITED STATES DEPARTMENT OF AGRICULTURE  
 Federal Crop Insurance Corporation  
 COARSE GRAINS CROP PROVISIONS



1. Definitions

**Coarse grains** - Corn, grain sorghum, and soybeans.

**Grain sorghum** - The crop defined as sorghum under the United States Grain Standards Act.

**Harvest** - Combining, threshing, or picking the insured crop for grain, or cutting for hay, silage, or fodder.

**Local market price** - The cash grain price per bushel for the U.S. No. 2 yellow corn, U.S. No. 2 grain sorghum, or U.S. No. 1 soybeans, offered by buyers in the area in which you normally market the insured crop. The local market price will reflect the maximum limits of quality deficiencies allowable for the U.S. No. 2 grade for yellow corn and grain sorghum, or U.S. No. 1 grade for soybeans. Factors not associated with grading under the Official United States Standards for Grain, including but not limited to protein and oil, will not be considered.

**Planted acreage** - In addition to the definition contained in the Basic Provisions, coarse grains must initially be planted in rows, unless otherwise provided by the Special Provisions, actuarial documents, or by written agreement.

**Production guarantee (per acre)** - In lieu of the definition contained in the Basic Provisions, the number of bushels (tons for corn insured as silage) determined by multiplying the approved yield per acre by the coverage level percentage you elect.

**Silage** - A product that results from severing the plant from the land and chopping it for the purpose of livestock feed.

**Ton** - Two thousand (2000) pounds avoirdupois.

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

In addition to the requirements of section 3 of the Basic Provisions, you must elect to insure your corn, grain sorghum, or soybeans with either revenue protection or yield protection by the sales closing date.

3. Contract Changes

In accordance with section 4 of the Basic Provisions, the contract change date is November 30 preceding the cancellation date.

4. Cancellation and Termination Dates

In accordance with section 2 of the Basic Provisions, the cancellation and termination dates are:

**Cancellation and Termination Dates**

State and County

(a) **For corn and grain sorghum:**

Val Verde, Edwards, Kerr, Kendall, Bexar, Wilson, Karnes, Goliad, Victoria, and Jackson Counties, Texas, and all Texas counties lying south thereof

January 31

El Paso, Hudspeth, Culberson, Reeves, Loving, Winkler, Ector, Upton, Reagan, Sterling, Coke,

Tom Green, Concho, McCulloch, San Saba, Mills, Hamilton, Bosque, Johnson, Tarrant, Wise, Cooke Counties, Texas, and all Texas counties lying south and east thereof to and including Terrell, Crockett, Sutton, Kimble, Gillespie, Blanco, Comal, Guadalupe, Gonzales, De Witt, Lavaca, Colorado, Wharton, and Matagorda Counties, Texas

February 15

Alabama; Arizona; Arkansas; California; Florida; Georgia; Louisiana; Mississippi; Nevada; North Carolina; and South Carolina

February 28

All other Texas counties and all other states

March 15

(b) **For soybeans:**

Jackson, Victoria, Goliad, Bee, Live Oak, McMullen, LaSalle, and Dimmit Counties, Texas and all Texas counties lying south thereof

January 31

Alabama; Arizona; Arkansas; California; Florida; Georgia; Louisiana; Mississippi; Nevada; North Carolina; and South Carolina; and El Paso, Hudspeth, Culberson, Reeves, Loving, Winkler, Ector, Upton, Reagan, Sterling, Coke, Tom Green, Concho, McCulloch, San Saba, Mills, Hamilton, Bosque, Johnson, Tarrant, Wise, Cooke Counties, Texas, and all Texas counties lying south and east thereof to and including Maverick, Zavala, Frio, Atascosa, Karnes, De Witt, Lavaca, Colorado, Wharton, and Matagorda Counties, Texas

February 28

All other Texas counties and all other states

March 15.

5. Insured Crop

(a) In accordance with section 8 of the Basic Provisions, the crop insured will be each coarse grain crop you elect to insure for which premium rates are provided by the actuarial documents:

- (1) In which you have a share;
- (2) That is adapted to the area based on days to maturity and is compatible with agronomic and weather conditions in the area; and
- (3) That is not (unless allowed by the Special Provisions or by written agreement):
  - (i) Interplanted with another crop except as allowed in section 5(b)(1); or
  - (ii) Planted into an established grass or legume.

(b) For corn only, in addition to the provisions of section 5(a), the corn crop insured will be all corn

that is:

- (1) Planted for harvest either as grain or as silage (see section 5(c)). A mixture of corn and sorghum (grain or forage-type) will be insured as corn silage if the sorghum does not constitute more than twenty percent (20%) of the plants;
  - (2) Yellow dent or white corn, including mixed yellow and white, waxy or high-lysine corn, high-oil corn blends containing mixtures of at least 90 percent high yielding yellow dent female plants with high-oil male pollinator plants, or commercial varieties of high-protein hybrids, and excluding:
    - (i) High-amylose, high-oil or high-protein (except as authorized in section 5(b)(2)), flint, flour, Indian, or blue corn, or a variety genetically adapted to provide forage for wildlife or any other open pollinated corn, unless a written agreement allows insurance of such excluded crops.
    - (ii) A variety of corn adapted for silage use only when the corn is reported for insurance as grain.
- (c) For corn only, if the actuarial documents for the county provide a premium rate for:
- (1) **Both grain and silage**, all insurable acreage will be insured as the type or types reported by you on or before the acreage reporting date;
  - (2) **Grain but not silage**, all insurable acreage will be insured as grain unless a written agreement allows insurance on all or a portion of the insurable acreage as silage; or
  - (3) **Silage but not grain**, all insurable corn acreage will be insured as silage unless a written agreement allows insurance on all or a portion of the insurable acreage as grain.
- (d) For grain sorghum only, in addition to the provisions of section 5(a), the grain sorghum crop insured will be all of the grain sorghum in the county:
- (1) That is planted for harvest as grain;
  - (2) That is a combine-type hybrid grain sorghum (grown from hybrid seed); and
  - (3) That is not a dual-purpose type of grain sorghum (a type used for both grain and forage), unless a written agreement allows insurance of such grain sorghum.
- (e) For soybeans only, in addition to the provisions of section 5(a), the soybean crop insured will be all of the soybeans in the county that are planted for harvest as beans.

## 6. Insurable Acreage

In addition to the provisions of section 9 of the Basic Provisions, 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 of the Basic Provisions, the calendar date for the end of the insurance period is the date immediately following planting as follows:

- (a) **For corn insured as grain:**
  - (1) Val Verde, Edwards, Kerr, Kendall, Bexar, Wilson, Karnes, Goliad, Victoria, and Jackson Counties, Texas, and all Texas counties lying south thereof. September 30
  - (2) Clark, Cowlitz, Grays Harbor, Island, Jefferson, King, Kitsap, Lewis, Pierce, Skagit, Snohomish, Thurston, Wahkiakum, and Whatcom Counties, Washington. October 31
  - (3) All other counties and states December 10
- (b) **For corn insured as silage:**
  - (1) Connecticut, Delaware, Idaho, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, North Carolina, Oregon, Pennsylvania, Rhode Island, Vermont, Virginia, Washington, and West Virginia. October 20.
  - (2) All other states. September 30.
- (c) **For grain sorghum:**
  - (1) Val Verde, Edwards, Kerr, Kendall, Bexar, Wilson, Karnes, Goliad, Victoria, and Jackson Counties, Texas, and all Texas counties lying south thereof September 30
  - (2) All other Texas counties and all other states December 10
- (d) **For soybeans:**  
All states December 10.

## 8. Causes of Loss

In accordance with the provisions of section 12 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;
- (h) Failure of the irrigation water supply due to a cause of loss specified in sections 8(a) through (g) that also occurs during the insurance period; or
- (i) For revenue protection, a change in the harvest price from the projected price, unless FCIC can prove the price change was the direct result of an uninsured cause of loss specified in section 12(a) of the Basic Provisions.

## 9. Replanting Payments

- (a) A replanting payment is allowed as follows:
- (1) In lieu of provisions in section 13 of the Basic Provisions that limit the amount of a replant payment to the actual cost of replanting, the amount of any replanting payment will be determined in accordance with these Crop Provisions;
  - (2) Except as specified in section 9(a)(1), you must comply with all requirements regarding replanting payments contained in section 13 of the Basic Provisions; and
  - (3) The insured crop must be 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.
- (b) Unless otherwise specified in the Special Provisions, the amount of the replanting payment per acre will be the lesser of 20 percent of the production guarantee or the number of bushels (tons for corn insured as silage) for the applicable crop specified below, multiplied by your projected price, multiplied by your share:
- (1) 8 bushels for corn grain;
  - (2) 1 ton for corn silage;
  - (3) 7 bushels for grain sorghum; and
  - (4) 3 bushels for soybeans.
- (c) When the crop is replanted using a practice that is uninsurable for an original planting, the liability on the unit will be reduced by the amount of the replanting payment. The premium amount will not be reduced.
- (d) If the acreage is replanted to an insured crop type that is different than the insured crop type originally planted on the acreage:
- (1) The production guarantee, premium, and projected price and harvest price, as applicable, will be adjusted based on the replanted type;
  - (2) Replanting payments will be calculated using your projected price and production guarantee for the crop type that is replanted and insured; and
  - (3) A revised acreage report will be required to reflect the replanted type, as applicable.

## 10. Duties in the Event of Damage or Loss

- (a) Representative samples are required in accordance with section 14 of the Basic Provisions.
- (b) For any corn unit that has separate dates for the end of the insurance period (grain and silage), in lieu of the requirement contained in section 14 of the Basic Provisions to provide notice within 72 hours of your initial discovery of damage (but not later than 15 days after the end of the insurance period), you must provide notice within 72 hours of your initial discovery of damage (but not later than 15 days after the latest end of the insurance period applicable to the unit).

- (c) If you will harvest any acreage in a manner other than as you reported it for coverage (e.g., you reported planting it to harvest as grain but will harvest the acreage for silage, or you reported planting it to harvest as silage but will harvest the acreage for grain), you must notify us before harvest begins. Failure to timely provide notice will result in production to count determined in accordance with section 11(c)(1)(i)(E).

## 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 that are acceptable to us for any:
- (1) Optional unit, we will combine all optional units for which acceptable records of production were not provided; or
  - (2) 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 by:
- (1) Multiplying the number of insured acres of each insured crop or type, as applicable, by your respective:
    - (i) Yield protection guarantee (per acre) if you elected yield protection; or
    - (ii) Revenue protection guarantee (per acre) if you elected revenue protection;
  - (2) Totaling the results of section 11(b)(1)(i) or 11(b)(1)(ii), whichever is applicable;
  - (3) Multiplying the production to count of each insured crop or type, as applicable, by your respective:
    - (i) Projected price if you elected yield protection; or
    - (ii) Harvest price if you elected revenue protection;
  - (4) Totaling the results of section 11(b)(3)(i) or 11(b)(3)(ii), whichever is applicable;
  - (5) Subtracting the result of section 11(b)(4) from the result of section 11(b)(2); and
  - (6) Multiplying the result of section (11)(b)(5) by your share.

For example:

You have 100 percent share in 50 acres of corn in the unit with a production guarantee (per acre) of 115 bushels, your projected price is \$2.25, your harvest price is \$2.20, and your production to count is 5,000 bushels.

If you elected yield protection:

- (1) 50 acres x (115 bushel production guarantee x \$2.25 projected price) = \$12,937.50 value of the production guarantee
- (3) 5,000 bushel production to count x \$2.25 projected price = \$11,250.00 value of the production to count
- (5) \$12,937.50 - \$11,250.00 = \$1,687.50
- (6) \$1,687.50 x 1.000 share = \$1,688.00 indemnity; or

If you elected revenue protection:

- (1) 50 acres x (115 bushel production guarantee x \$2.25 projected price) = \$12,937.50 revenue protection guarantee
  - (3) 5,000 bushel production to count x \$2.20 harvest price = \$11,000.00 value of the production to count
  - (5) \$12,937.50 - \$11,000.00 = \$1,937.50
  - (6) \$1,937.50 x 1.000 share = \$1,938.00 indemnity.
- (c) The total production to count (in bushels for corn insured as grain or in tons for corn insured as silage) from all insurable acreage on the unit will include:
- (1) All appraised production as follows:
    - (i) For yield protection, not less than the production guarantee, or for revenue protection, not less than the amount of production that when multiplied by the harvest price equals the revenue protection guarantee (per acre) for acreage:
      - (A) That is abandoned;
      - (B) Put to another use without our consent;
      - (C) Damaged solely by uninsured causes;
      - (D) For which you fail to provide records of production that are acceptable to us; or
      - (E) For which you fail to give us notice before harvest begins if you report planting the corn to harvest as grain but harvest it as silage or you report planting the corn to harvest as silage but harvest it as grain.
    - (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 section 11(d)); and
    - (iv) Potential production on insured acreage you will put to another use or abandon, if you and we agree on the appraised amount of production. Upon such agreement the insurance period for that acreage will end when 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 insurable acreage.
- (d) Mature coarse grain production (excluding corn insured as silage) may be adjusted for excess moisture and quality deficiencies. If moisture adjustment is applicable it will be made prior to any adjustment for quality. Corn insured as silage will be adjusted for excess moisture and quality only as specified in section 11(e).
- (1) Production will be reduced by 0.12 percent for each 0.1 percentage point of moisture in excess of:
    - (i) Fifteen percent (15%) for corn (If moisture exceeds 30 percent (30%), production will be reduced 0.2 percent for each 0.1 percentage point above 30 percent (30%));
    - (ii) Fourteen percent (14%) for grain sorghum; and
    - (iii) Thirteen percent (13%) for soybeans. 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, in accordance with the Official United States Standards for Grain, result in:
      - (A) Corn not meeting the grade requirements for U.S. No. 4 (grades U.S. No. 5 or worse) because of test weight or kernel damage (excluding heat damage) or having a musty, sour, or commercially objectionable foreign odor;
      - (B) Grain sorghum not meeting the grade requirements for U.S. No. 4 (grades U.S. Sample grade) because of test weight or kernel damage (excluding heat damage) or having a musty, sour, or commercially objectionable foreign odor (except smut odor), or meets the special grade requirements for smutty grain sorghum; or
      - (C) Soybeans not meeting the grade requirements for U.S. No. 4 (grades

- U.S. Sample grade) because of test weight or kernel damage (excluding heat damage) or having a musty, sour, or commercially objectionable foreign odor (except garlic odor), or which meet the special grade requirements for garlicky soybeans; 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;
  - (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;
  - (iii) With regard to deficiencies in quality (except test weight, which may be determined by our loss adjuster), the samples are analyzed by:
    - (A) A grain grader licensed under the United States Grain Standards Act or the United States Warehouse Act;
    - (B) A grain grader licensed under State law and employed by a warehouse operator who has a storage agreement with the Commodity Credit Corporation; or
    - (C) A grain grader not licensed under State law, but who is employed by a warehouse operator who has a commodity storage agreement with the Commodity Credit Corporation and is in compliance with State law regarding warehouses; and
  - (iv) With regard to substances or conditions injurious to human or animal health, the samples are analyzed by a laboratory approved by us.
- (4) Coarse grain production that is eligible for quality adjustment, as specified in sections 11(d)(2) and (3), will be reduced by the quality adjustment factor contained in the Special Provisions.
- (e) For corn insured as silage:
- (1) Whenever our appraisal of grain content is less than 4.5 bushels of grain per ton of silage, the silage production will be reduced by 1 percentage point for each 0.1 (1/10) of a bushel less than 4.5 bushels per ton (If we cannot make a grain appraisal before harvest and you do not leave a representative unharvested sample, in accordance with the policy no reduction for grain-deficient silage will be made.); and
  - (2) If the normal silage harvesting period has ended, or for any acreage harvested as silage or appraised as silage after the calendar date for the end of the insurance period as specified in section 7(b), we may increase the silage production to count to a 65 percent moisture equivalent to reflect the normal moisture content of silage harvested during the normal silage harvesting period.
  - (f) 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 additional coverage and pay an additional premium, you may increase your prevented planting coverage to a level specified in the actuarial documents.