

SUMMARY OF CHANGES FOR THE SUNFLOWER SEED CROP PROVISIONS (11-0078) (Released April 2010)

The following is a brief description of the changes to the Sunflower Seed 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 sunflowers.

Removed the paragraph immediately preceding section 1 which refers to the order of priority in the event of conflict. This information is contained in the Basic Provisions.

Section 2 - Revised to specify the producer must elect to insure sunflowers 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 3- Revised to clarify the Contract Change Date as November 30 preceding the cancellation date.

Section 5 – Revised to remove the phrase “(Insured Crop)”.

Section 6 – Revised to remove the phrase “(Insurable Acreage)”.

Section 7 – Revised to remove the phrase “(Insurance Period)”.

Section 8 – Revised to remove the phrase “(Causes of Loss)” in the introductory text and “or” at the end of paragraph (g).

Section 8(h) - Revised section 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.

Section 8(i) - Added 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.

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

Section 11 (d)(4) – Revised to specify sunflower seed production that is eligible for quality adjustment will be reduced in accordance with quality adjustment factor provisions contained in the Special Provisions.

Amended section 12 by removing the reference to limited level of coverage.



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

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 of the Basic Provisions, you must elect to insure your sunflowers 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 March 15.

5. Insured Crop

In accordance with section 8 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 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 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 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 replanting 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 175 pounds, multiplied by

your projected price, multiplied by your share.

- (c) When the crop is replanted using a practice that is uninsurable for an original planting, the liability for 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

Representative samples are required in accordance with section 14 of the Basic Provisions.

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 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 by your:
 - (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 sunflowers in the unit with a production guarantee (per acre) of 1,250 pounds, your projected price is \$.11, your harvest price is \$.12, and your

production to count is 54,000 pounds.

If you elected yield protection:

- (1) 50 acres x (1,250 pound production guarantee x \$.11 projected price) = \$6,875.00 value of the production guarantee
 - (3) 54,000 pound production to count x \$.11 projected price = \$5,940.00 value of production to count
 - (5) \$6,875.00 - \$5,940.00 = \$935.00
 - (6) \$935.00 x 1.000 share = \$935.00 indemnity; or
- If you elected revenue protection:
- (1) 50 acres x (1,250 pound production guarantee x \$.12 harvest price) = \$7,500.00 revenue protection guarantee
 - (3) 54,000 pound production to count x \$.12 harvest price = \$6,480.00 value of the production to count
 - (5) \$7,500.00 - \$6,480.00 = \$1,020.00
 - (6) \$1,020.00 x 1.000 share = \$1,020.00 indemnity.

- (c) The total production to count in pounds 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, and 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; 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 insurable 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;

(iii) With regard to deficiencies in quality (except test weight, which may be determined by our loss adjustor), 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) Sunflower seed production that is eligible for quality adjustment, as specified in sections 11(d)(2) and (3), will be reduced in accordance with quality adjustment factor provisions contained in the Special Provisions.

(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 additional coverage and pay an additional premium, you may increase your prevented planting coverage to a level specified in the actuarial documents.