SUMMARY OF CHANGES FOR THE CAMELINA CROP PROVISIONS (14-0333)
(Released November 2013)

The following is a brief description of changes to the Camelina Crop Provisions that will be effective for the 2014 crop year. Please refer to the Camelina Crop Provisions for more complete information.

Section 1 – Definitions

- Removed the definition of "basic unit." The definition of "basic unit" in the Basic Provisions will now be applicable."

Section 2 – Unit Division

- Removed section 2. Redesignated sections 3 through 16 as sections 2 through 15. Basic and optional units will now be determined in accordance with the Basic Provisions.

Section 13 (redesignated section 12) – Insured Crop

- Added a new paragraph (a) to specify a loss will be determined on a unit basis, and the consequences of the inability to provide acceptable production records by unit. Redesignated paragraphs (a) through (d) as paragraphs (b) through (e).

UNITED STATES DEPARTMENT OF AGRICULTURE
Federal Crop Insurance Corporation
CAMELINA CROP PROVISIONS

1. Definitions.

Base contract price - The price per pound stipulated in the processor contract (without regard to discounts or incentives) and that is used to determine your price election.

Camelina - Camelina sativa, a plant in the mustard family (Brassicaceae).

Harvest - Combining or threshing for seed. A crop that is swathed prior to combining is not considered harvested.

Late planting period - In lieu of the definition contained in the Basic Provisions, the period that begins the day after the final planting date for the insured crop and ends 15 days after the final planting date, unless otherwise specified in the Special Provisions.

Maximum allowable acres - The number of acres grown under a processor contract, as calculated in section 8(c), times 1.05.

Over-planting factor - A factor, less than or equal to 1.00, that is used to reduce the production guarantee (per acre) when the number of insurable planted acres exceeds the maximum allowable acres. The over-planting factor is determined by dividing the maximum allowable acres by the number of insurable planted acres.

Planted acreage - In addition to the definition contained in the Basic Provisions, land on which seed is initially spread onto the soil surface and subsequently is pressed with rollers to improve seed contact with the soil in a timely manner will be considered planted. Acreage planted in any manner other than specified in the Basic Provisions or in these Crop Provisions will not be insurable, unless allowed by the Special Provisions.

Production guarantee (per acre) - In lieu of the definition in the Basic Provisions, the result of multiplying your approved yield per acre by the coverage level percentage you elect and by any applicable over-planting factor.

Processor - Any business enterprise regularly engaged in buying and processing camelina, that possesses all licenses and permits for processing camelina required by the State in which it operates, and that possesses facilities, or has contractual access to such facilities, with enough equipment to accept and process contracted camelina within a reasonable amount of time after harvest.

Processor contract - An agreement, in writing, between the producer and a processor, containing at a minimum:

(a) The producer’s commitment to plant and grow camelina and to deliver the production to the processor;

(b) The processor’s commitment to purchase all the production stated in the processor contract; and

(c) A base contract price.

Swathed - Severance of the stem and seed pods from the ground and placing into windrows without removal of the seed from the pod.

Type - A category of camelina identified as a type in the Special Provisions.

Windrow - Camelina that is swathed and placed in a row.

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

(a) In lieu of the price election provisions in section 3(e) of the Basic Provisions, your price election will be the base contract price multiplied by the percentage of price you elect. However, in no case will the price election exceed the amount specified in the Special Provisions.

(b) If there is more than one base contract price (e.g., you have two or more processor contracts in effect with different base contract prices), the amount used to determine your price election will be the weighted average of the base contract prices. For example, if 10,000 pounds of production have a base contract price of $0.10 per pound, and 5,000 pounds of production have a base contract price of $0.12 per pound, your weighted average base contract price will be $0.107 per pound.

(1) 10,000 lbs. x $0.10 = $1,000

(2) 5,000 lbs. x $0.12 = $600

(3) $1,000 + $600 = $,1600

(4) 10,000 lbs. + 5,000 lbs. = 15,000 lbs.

(5) $1,600 ÷ 15,000 lbs. = $0.107

(c) For acreage-only based processor contracts, and acreage- and production-based processor contracts which specify a maximum number of acres, the number of pounds considered to be under contract is the maximum number of acres specified in the processor contract multiplied by your production guarantee.

(d) If your total insurable planted acres in all units exceed the maximum allowable acres, your production guarantee for all units will be reduced by the over-planting factor. For example, if you have 200.0 acres under contract and you plant 220.0 insurable acres, your production guarantee will be reduced by a factor of 0.95 (200 x 1.05) = 210.0 and (210.0 ÷ 220.0 = 0.95).

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 February 1.

5. Report of Acreage.

In addition to the provisions in section 6 of the Basic Provisions, you must provide a copy of all processor contracts to us on or before the acreage reporting date.

6. Insured Crop.

(a) In accordance with section 8 of the Basic Provisions, the crop insured will be all camelina in the county for which a premium rate is provided by the actuarial documents:

(1) In which you have a share;

(2) That is planted for harvest as seed;

(3) That is grown in accordance with the requirements of a processor contract executed on or before the acreage reporting date; and

(4) That is not, unless allowed by the Special Provisions:

(i) Interplanted with another crop;

(ii) Planted into an established grass or legume; or

(iii) Planted following the harvest of any other crop in the same crop year.

(b) You will be considered to have a share in the insured crop if, under the processor contract, you retain control of the acres on which the camelina is grown, your income from the insured crop is dependent on the amount of production delivered, and the processor contract provides for delivery of the camelina under specified conditions and at a stipulated base contract price.

(c) A commercial camelina producer who is also a processor may establish an insurable interest if the following requirements are met:

(1) The producer must comply with all policy provisions;

(2) Prior to the sales closing date, the Board of Directors or officers of the processor must execute and adopt a resolution that contains the same terms as an acceptable processor contract. Such resolution will be considered a processor contract under this policy; and

(3) Our inspection reveals the processing facilities comply with the definition of "processor" contained in these Crop Provisions.

7. Insurable Acreage.

In addition to the provisions of section 9 of the Basic Provisions:

(a) Any acreage of the insured crop that is 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.

(b) We will not insure any acreage that does not meet the rotation requirements, if applicable, contained in the Special Provisions.

(c) For the purposes of this policy, the number of acres considered to be grown under a processor contract is determined as follows:

(1) For acreage-only based processor contracts, and acreage- and production-based processor contracts which specify a maximum number of acres, the lesser of:

(i) The maximum number of acres specified in the processor contract; or

(ii) The number of planted acres; or

(2) For production only based processor contracts, the lesser of:

(i) The number of acres determined by dividing the amount of production stated in the processor contract by the approved yield; or

(ii) The number of planted acres.

8. 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 August 31 of the calendar year in which the crop is normally harvested unless otherwise stated in the Special Provisions.

9. Causes of Loss.

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

(1) Adverse weather conditions;

(2) Fire;

(3) Insects, but not damage due to insufficient or improper application of pest control measures;

(4) Plant disease, but not damage due to insufficient or improper application of disease control measures;

(5) Wildlife;

(6) Earthquake;

(7) Volcanic eruption; or

(8) Failure of the irrigation water supply, if applicable, due to a cause specified in section 9(a)(1) through (7) that also occurs during the insurance period.

(b) In addition to the provisions of section 12 of the Basic Provisions, losses NOT covered will include losses caused by weed pressure or chemical damage, unless a cause of loss specified in section (9)(a) results in the weed pressure or chemical damage.

10. Replanting Payment.

(a) In accordance with section 13 of the Basic Provisions, a replanting payment is allowed if the insured crop is 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 or we require you to replant in accordance with section 7(a).

(b) The maximum amount of the replanting payment per acre will be the lesser of 20 percent of the production guarantee (per acre) or 120 pounds, multiplied by your price election, multiplied by your insured share.

(c) When camelina 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 that is attributable to your share. The premium amount will not be reduced.

11. Duties in the Event of Damage or Loss.

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

12. Settlement of Claim.

(a) We will determine your loss on a unit basis. In the event you are unable to provide separate acceptable

production records:
(1) For any optional units, we will combine all optional units for which such production records were not provided; or
(2) For any basic units, we will allocate any commingled production to such units in proportion to our liability on the harvested acreage for the basic 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 practice/type, as applicable, by your respective production guarantee (per acre);
(2) Multiplying each result of section 12(b)(1) by your price election;
(3) Totaling the results of section 12(b)(2);
(4) Multiplying the production to be counted of each insured type/practice, as applicable, by your price election and by the over-planting factor;
(5) Totaling the results of section 12(b)(4);
(6) Subtracting the result of section 12(b)(5) from the result of section 12(b)(3); and
(7) Multiplying the result in section 12(b)(6) by your share.

For example:
You have a 100 percent share in 88 insurable acres of camelina grown in compliance with the requirements of a processor contract that specifies all production from 80 acres will be accepted by the processor. Your price election is $0.10 per pound, your average yield is 1,579 pounds, your coverage level is 65%, your overplanting factor is .95 [(80 x 1.05)/88] and your production guarantee (per acre) is 975 pounds (1,579 x .65 x .95). Due to a covered cause of loss, your production to count is only 38,000 pounds. Your indemnity is calculated as follows:
(1) 88 acres x 975 pounds = 85,800 pounds production guarantee;
(2) 85,800 pounds x $0.10 per pound = $8,580 value of the production guarantee;
(3) $8,580 total value of the production guarantee;
(4) 38,000 pounds x $0.10 per pound x 0.95 Overplanting factor = $3,610 value of the production to count;
(5) $3,610 total value of the production to count;
(6) $8,580- $3,610 = $4,970; and
(7) $4,970 x 1.000 share = $4,970 indemnity payment.

(c) The total production to count (in pounds) includes the following:
(1) All appraised production as follows:
(i) Not less than the production 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 excess moisture in accordance with section 12(d)); and
(iv) Potential production on insured acreage that you intend to 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) Production will be reduced by 0.12 percent for each 0.1 percentage point of moisture in excess of 8.0 percent. We may obtain samples of the production to determine the moisture content.
(e) Any production harvested from plants growing in the insured crop may be counted as production of the insured crop on an unadjusted weight basis.

13. Late Planting.
In lieu of sections 16 (b) and (c) of the Basic Provisions, acreage planted after the late planting period is not insurable, regardless of the reason acreage was not previously planted.

14. Prevented Planting.
The prevented planting provisions of the Basic Provisions are not applicable.

15. Written Agreements.
The written agreement provisions of the Basic Provisions are not applicable.