

**-SUMMARY OF CHANGES FOR OLIVE CROP PROVISIONS (14-OL-0501)**  
**(Released October 2013)**

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

**Section 1 – Definitions**

- Revised the definition of variability adjustment factor to specify each applicable factor and the factor applicable when no variability index is determined.
- Revised the definition of variability index to specify that an index will only be calculated when there are at least four years of actual and assigned yields in the database. Additional explanation was added to indicate how the index would be calculated when the current year or either of the two previous crop year yields are zero.

**Section 3 – Insurance Guarantees, Coverage Levels, and Prices for Determining Indemnities**

Revised section 3(a) to update calendar years in the example.

Revised section 3(b)(1) to clarify the four-year crop insurability requirement and to specify that a zero yield may be included as an actual yield. Rearranged and redesignated subsections.

Revised section 3(b)(3) to specify the use of the average yield for purpose of calculating the assigned yield and approved yield to account for the impact alternate bearing adjustments have on such determinations.

**Section 6 – Report of Acreage**

Revised to section 6(b) to clarify the requirement to provide a table or oil contract, if applicable, is solely for the purpose of establishing the end of the insurance period.

**Section 8 – Insured Crop**

Revised section 8(f)(3)(iii) to specify the waiting period to qualify for insurability following hedging or topping does not apply if hedging or topping is part of the normal annual production practices for the grove.

**Section 10 – Insurance Period**

Revised section 10(c)(2) to clarify that an applicable delivery date may be provided for by the processor contract as a specific calendar date or a date to be established by the processor under the terms of the contract.

Revised section 10(c)(3) to change the calendar date for the end of the insurance period for the oil type from February 15 to January 31.



**UNITED STATES DEPARTMENT OF AGRICULTURE  
Federal Crop Insurance Corporation  
OLIVE CROP PROVISIONS**

**1. Definitions.**

**Alternate bearing** – The physiological propensity of perennial species, such as olives (*Olea europaea*), to produce a high yield (on year) to be followed the next year by a lower yield (off year). Any acreage of olives will be considered alternate bearing if the variability index for the production database for the acreage is:

- (a) Less than or equal to 75; or
- (b) Equal to or greater than 125.

If the variability index is greater than 75 but less than 125, the acreage will not be considered alternate bearing unless otherwise provided in the Special Provisions.

**Basic unit** – In lieu of the definition of “basic unit” contained in the Basic Provisions, a basic unit will be:

- (a) All your insurable olive acreage in the county in which you have a share on the date coverage begins for the crop year; and
- (b) That does not meet the requirements for an enterprise unit in section 2 of these Crop Provisions.

**Canned ripe olives** - Processed olives placed in hermetically sealed containers and heat sterilized under pressure.

**Dehorning** - Cutting of any tree to a height that is not greater than two thirds (2/3) the height of the tree before cutting.

**Direct marketing (marketed)** - Sale of the insured crop directly to consumers without the intervention of an intermediary such as a wholesaler, retailer, packer, processor, shipper or buyer. Examples of direct marketing include: selling through an on-farm or roadside stand, a farmer's market, and permitting the general public to enter the grove for the purpose of picking all or a portion of the crop.

**Enterprise unit** – In lieu of the definition of “enterprise unit” contained in the Basic Provisions, an enterprise unit will be:

- (a) All your insurable olive acreage in the county in which you have a share on the date coverage begins for the crop year; and
- (b) That meets the requirements of section 2 of these Crop Provisions.

**Gallon** – One hundred twenty-eight (128) fluid ounces or 3.7854 liters.

**Green olives** – Olives that have been fermented, cured, and packed in brine (processed).

**Harvest** - Picking of mature olives from the trees or ground either by hand or machine.

**Hedging (Hedged)** - A process of machine trimming the sides of the olive trees to facilitate harvesting and improve sunlight management and fruit production.

**Interplanted** - Acreage on which two or more crops are planted in any form of alternating or mixed pattern.

**Mature olive production** – Olives that have reached a harvestable stage typical for the variety and use.

**Natural condition olives** - Olives in their fresh harvested state.

**Oil olives** – Olives produced for the purpose of being processed into olive oil.

**Olives** - Any variety of olives (*Olea europaea*) that is grown for the production of:

- (a) Table olives;
- (b) Olive oil; or
- (c) Direct marketed oil or table olives if direct marketed olives are designated as insurable in the Special Provisions.

**Packaged olives** – Processed olives known as canned ripe and green olives.

**Price election percentage**– The percentage elected by you and multiplied by the price election issued by RMA to determine your price election.

**Processed (process/processing)** – Changing olives in any way from their natural condition by any commercial process.

**Production (APH) database** – A record containing up to 10 continuous APH crop years of acreage and production reported by you under section 3(b) of these Crop Provisions, including actual yields, adjusted and unadjusted transitional yields, and any applicable assigned yields. Production databases are established according to approved procedures issued by FCIC and used to determine your approved yield.

**Set out** - The transplanting of olive trees into the grove.

**Stumping** - Cutting of any tree to a height that is not greater than four (4) feet.

**Table olives** – Olives produced for use as packaged and other processed olives.

**Ton** - Two thousand (2,000) pounds avoirdupois.

**Topping (Topped)** - A process of hand or machine trimming the uppermost portion of the olive trees to facilitate harvesting and improve sunlight management and fruit production.

**Two-year coverage period** - A two-crop-year period of a continuous policy whereby you agree:

- (a) To insure the olive crop for both years of the period; and
- (b) That the same coverage level and price election percentage selected by you will apply during the period.

**Variability adjustment factor** – A factor derived from the variability index.

- (a) If the variability index is less than or equal to 75, the variability adjustment factor will equal 1.30 unless otherwise provided in the Special Provisions.
- (b) If the variability index is greater than or equal to 125, the variability adjustment factor will equal 0.70

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unless otherwise provided in the Special Provisions.

- (c) If the variability index is greater than 75 but less than 125, the variability adjustment factor will equal 1.00 unless otherwise provided in the Special Provisions.
- (d) The variability adjustment factor will be 1.00 (with an assigned variability index of 100) for any production database that does not contain at least the most recent four years of actual production including assigned yields.

**Variability Index** – A ratio determined for each olive production database that has reached the 7<sup>th</sup> growing season after set out and contains at least the most recent four years of actual production records including assigned yields.

- (a) The ratio is determined by dividing the yield from the most recent crop year by the average yield for the two previous crop years. Multiply the result by 100 and round to the nearest whole number.
- (b) If the yield in the most recent crop year is greater than zero and the yield for each of the two previous crop years is a zero, the variability index will be 125.
- (c) If the yields in the most recent crop year and each of the two previous crop years are zero, the variability index will be 100.
- (d) If the yield for the most recent crop year is zero and the yield for either of the two previous crop years is greater than zero, the variability index will be 75.

## 2. Unit Division.

In lieu of the requirements for enterprise units contained in section 34 of the Basic Provisions:

- (a) All insurable olive acreage in the county will be included in an enterprise unit as defined in section 1 of these Crop Provisions if the enterprise unit contains insurable acreage in:
  - (1) Two or more sections;
  - (2) Two or more section equivalents;
  - (3) Two or more FSA farm serial numbers;
  - (4) Any combination of two or more sections, section equivalents, or FSA farm serial numbers; or
  - (5) One section, section equivalent, or FSA farm serial number that contains at least 660 planted acres of the insured crop.
- (b) In addition to the requirements in section 2(a) of these Crop Provisions, any of the sections, section equivalents, or FSA farm serial numbers used to qualify for the enterprise unit must have planted acreage that constitutes at least the lesser of 20 acres or 20 percent of the insured crop acreage in the enterprise unit. If there is planted acreage in more than two sections, section equivalents, or FSA farm serial numbers, these can be aggregated to form at least two parcels to meet this requirement. For example, if the insured has 100 planted acres in the county and 80 planted acres are in section one, 10 planted acres are in section two, and 10 planted acres are in section three, sections two and three may be aggregated to meet this requirement.

- (c) If the requirements in section 2(a) and (b) are not met, all the insurable olive acreage in the county in which you have a share will be included in one basic unit, as defined in section 1 of these Crop Provisions, regardless of whether such acreage is owned, rented for cash, or rented for a share of the crop.
- (d) For both years of the two-year coverage period, a unit will be an enterprise unit or basic unit as applicable except that if you qualify for an enterprise unit the first year and do not meet the requirements in this section for an enterprise unit for the second year of the period, your insured acreage will be a basic unit for the second year.
- (e) No other units or unit division contained in the Basic Provisions is applicable unless allowed in the Special Provisions.

## 3. Insurance Guarantees, Coverage Levels, and Prices for Determining Indemnities.

- (a) In lieu of section 3(e)(2) of the Basic Provisions:
  - (1) By giving us written notice, you may change the coverage level or price election percentage for the succeeding two-year coverage period not later than the sales closing date of the next two-year coverage period. For example: If the sales closing date for your initial two-year coverage period is January 31, 2014, your next sales closing date for purposes of changing your coverage level or price election percentage is January 31, 2016.
  - (2) Your price election will change for any crop year of a two-year coverage period if the price election contained in the Special Provisions or an addendum thereto, changes for the crop year. However, you may not change your price election percentage for the second year.
  - (3) Notwithstanding section 3(a)(1), your request to increase the coverage level or price election percentage for the next two-year crop period will not be accepted if a cause of loss that could or would reduce the yield of the insured crop is evident when your request is made.
- (b) In addition to the requirement to report your production in section 3(f) of the Basic Provisions:
  - (1) For the initial crop year you are insured under the olive crop insurance policy:
    - (i) You are required to provide acceptable production records for at least the most recent four crop years for the crop for all insurable olive acreage reported by you for the current crop year in which you had a share during the four year period. For example, you must have at least one production database in which you had a share during the four year period that contains at least four years of acceptable production records. A production record containing a zero yield will be considered an acceptable record.
    - (ii) Acceptable production reports submitted for the initial crop year of insurance containing more than four years of records

- for the crop must contain 6, 8, or 10 years of records.
- (iii) If you do not provide the records required in section (3)(b)(1)(i), you will not be eligible for insurance for your olive crop as provided in section 8(c) of these Crop Provisions.
  - (iv) You must provide your production records by the date you are required to report your production as provided in section 3(b)(2).
  - (v) Your production records reported by you for your insured acreage will be used to establish your average and approved yield.
- (2) For each crop year following the initial crop year of insurance, you must report annually your production for the previous crop year by the earlier of the acreage reporting date or 45 days after the cancellation date unless otherwise specified in the Special Provisions. Your production report for each crop year for each applicable production database will be used to establish your average and approved yield. For example, you apply for olive crop insurance for the 2014 crop year and provided production reports for the 2010 – 2013 crop years. For the 2015 crop year, you must submit your 2014 production report.
- (3) In lieu of section 3(f)(1) of the Basic Provisions:
- (i) If you do not provide the production report required in section 3(b)(2), we will assign a yield for any crop year you fail to report.
  - (ii) The yield assigned by us will not be more than 75 percent of the average yield used by us to determine your approved yield for the previous crop year.
  - (iii) The production report or assigned yield will be used to compute your average yield for the purpose of determining your approved yield and coverage for the current crop year.
- (c) In addition to the requirements contained in section 3 of the Basic Provisions:
- (1) Your approved yield and production guarantee for each crop year of the period will be determined in accordance with section 3 of the Basic Provisions and section 3(b), (c)(2)(vi), (c)(3), and (c)(4) of these Crop Provisions;
  - (2) For each crop year of the two-year coverage period, you must report by the production reporting date designated in section 3(b)(2), by table/oil olives as applicable:
    - (i) Any damage, removal of trees, change in practices, change in harvesting method (e.g., hand harvest to machine harvest), or any other circumstance that may reduce the expected yield below the yield upon which the insurance guarantee is based, and the number of affected acres;
    - (ii) The number of bearing trees on insurable and uninsurable acreage;
    - (iii) The age of the trees and the planting pattern;
    - (iv) For the first year of insurance for acreage interplanted with another perennial crop, and any time the planting pattern of such acreage is changed:
      - (A) The age of the interplanted crop, and variety if applicable;
      - (B) The planting pattern; and
      - (C) Any other information that we request in order to establish your approved yield;
    - (v) Any trees that are hedged, topped, dehorned, or stumped. Such acreage of trees will be uninsurable until the conditions provided in section 8(f)(3) of these Crop Provisions are met; and
    - (vi) Any acreage of insurable trees added to the unit during the two-year coverage period. Your approved yield and production guarantee will be determined based on the additional acreage for the crop year the acreage is added.
- (3) We will reduce the approved yield used to establish your production guarantee for any crop year based on our estimate of the effect on yield potential of any of the items listed in section 3(c)(2). If you fail to notify us of any circumstance that may reduce your yields from previous levels, we will reduce your production guarantee at any time we become aware of the circumstance.
- (4) We will adjust the approved yield used to establish your production guarantee for any crop year for any acreage of olives which we determine is alternate bearing. The approved yield for such acreage will be determined by multiplying your average yield for the production database for the acreage times the applicable variability adjustment factor.
- 4. Contract Changes.**
- In lieu of the provisions contained in section 4 of the Basic Provisions:
- (a) We may change the terms of coverage under this policy from year to year. However, any changes affecting your coverage for any two-year coverage period will only become effective by the contract change date preceding the beginning of your next two-year coverage period except as required by legislatively mandated changes or as allowed in these Crop Provisions or Special Provisions, provided:
    - (1) All policy terms and conditions are met for each year of the two-year coverage period, including the timely payment of premium; and
    - (2) You have not done anything that would result in a revision to these terms, as specified in this policy.
  - (b) We may change your coverage including your approved yield, the premium rate based on your approved yield, and the published price elections or any other change allowed by these Crop Provisions

or the Special Provisions within a two-year coverage period. Any changes in the published price elections must be made by the contract change date preceding each crop year. We may only revise this information after the contract change date to correct clear errors (e.g., the price for table olives was announced at \$6270 per ton instead of \$627 per ton or the acreage reporting date should be March 15 but the acreage reporting date in Special Provisions states May 15).

- (c) After the contract change date, all changes specified in section 4(a) and (b) will also be available upon request from your crop insurance agent.
- (1) You will be provided, in writing, a copy of the changes to the Basic Provisions, Crop Provisions, if applicable, and a copy of the Special Provisions.
  - (2) If changes are made that will be effective for the second year of the two-year coverage period, such copies and changes will be provided not later than 30 days prior to the termination date.
  - (3) If changes are made that will be effective for a subsequent two-year coverage period, such copies and changes will be provided not later than 30 days prior to the cancellation date.
  - (4) If available from us, you may elect to receive these documents and changes electronically.
  - (5) For changes effective for subsequent two-year coverage periods, acceptance of the changes will be conclusively presumed in the absence of notice from you to change or cancel your insurance coverage.
- (d) The contract change date is October 31 preceding the cancellation date.

**5. Life of Policy, Cancellation and Termination Dates.**

- (a) In lieu of section 2(a) of the Basic Provisions, this is a continuous policy with a two-year coverage period and will remain in effect for each subsequent two-year coverage period until canceled by you in accordance with the terms of this policy or terminated by us or by the operation of the terms of this policy.
- (b) In lieu of section 2(c) of the Basic Provisions, after acceptance of your application, you may not cancel or transfer this policy to a different insurance provider during the initial two-year coverage period. Thereafter, the policy will continue in force for each succeeding two-year coverage period unless canceled, terminated, or transferred to a different insurance provider in accordance with the terms of this policy. Transfer of coverage to a different insurance provider may only occur prior to the sales closing date of each succeeding two-year coverage period.
- (c) In lieu of section 2(d) of the Basic Provisions, this contract may be canceled by either you or us for the next two-year coverage period by giving written notice on or before the cancellation date.
- (d) Your policy may be terminated before the end of the two-year coverage period if you are determined

to be ineligible to participate in any crop insurance program authorized under the Act in accordance with section 2(f) of the Basic Provisions or 7 CFR part 400, subpart U.

- (e) The cancellation date is January 31 of the second crop year of each two-year coverage period.
- (f) The termination date is January 31 of each crop year of the two-year coverage period.

**6. Report of Acreage.**

In addition to the requirements of section 6 of the Basic Provisions:

- (a) If you remove a contiguous block of trees from the unit on or before the acreage reporting date, you must report the number of acres removed. Your insurable acreage will be reduced by the number of acres of trees that have been removed.
- (b) For purposes of section 10(c)(2) of these Crop Provisions, if you have a contract for the delivery of your insured table or oil olives to a table olive or oil processor, as applicable, that provides for an end of delivery date, you must provide to us a copy of such contract by the acreage reporting date.

**7. Annual Premium and Administrative Fees.**

In addition to the requirements of section 7 of the Basic Provisions, the premium and administrative fees, as applicable, are due annually for each year of the two-year crop period.

**8. Insured Crop.**

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

- (a) In which you have a share;
- (b) That are grown for the production of olives;
- (c) For which acceptable production records specified in section 3(b)(1)(i) are provided unless otherwise provided in the Special Provisions;
- (d) That are grown on tree varieties that are:
  - (1) For oil olives, adapted to the production area as determined by agricultural experts; and
  - (2) For table olives:
    - (i) Varieties contained in an applicable Federal Marketing Order; and
    - (ii) Any varieties contained in the Special Provisions.
- (e) That are irrigated except as otherwise provided in the Special Provisions or allowed by written agreement;
- (f) That are grown in a grove that:
  - (1) If inspected, is considered acceptable by us;
  - (2) Meets either the minimum age requirements or production requirements contained in the Special Provisions; and
  - (3) The trees have reached:
    - (i) The second growing season after hedging or topping;
    - (ii) The third growing season after dehorning; or
    - (iii) The fourth growing season after stumping; Except that if hedging or topping is a standard annual production practice for the grove or the minimum production level

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(in tons or gallons as applicable) contained in the Special Provisions for the most recent crop year is met for the grove, the growing season requirement does not apply. The number of growing seasons is determined according to requirements contained in the Special Provisions.

- (g) That are located in a grove that contains a minimum of three (3) contiguous acres of olives unless otherwise allowed by the Special Provisions; and
- (h) That are not direct marketed unless allowed by the Special Provisions.

#### 9. Insurable Acreage.

In lieu of the provisions in section 9 of the Basic Provisions that prohibit insurance attaching to a crop planted with another crop, olives interplanted with another perennial crop are insurable unless we inspect the acreage and determine that it does not meet the insurability requirements contained in these Crop Provisions.

#### 10. Insurance Period.

(a) In accordance with the provisions of section 11 of the Basic Provisions:

- (1) For the year of application, or for the year following a break in continuity of coverage, coverage begins on February 1. Notwithstanding the previous sentence, if your application is received by us after January 12 but prior to February 1, insurance will attach on the 20th day after your properly completed application is received in our local office, unless we inspect the acreage during the 20-day period and determine that it does not meet insurability requirements. You must provide any information that we require for the crop or to determine the condition of the grove.
- (2) For each subsequent crop year that the policy remains continuously in force, coverage begins on the earlier of the day immediately following the end of the insurance period or November 16 preceding the crop year. Policy cancellation that results solely from transferring to a different insurance provider for a subsequent two-year coverage period will not be considered a break in continuous coverage.

(b) In accordance with the provisions of section 2 of the Basic Provisions and section 5 of these Crop Provisions, if your olive policy is canceled or terminated for any crop year after insurance attached for that crop year, but on or before the cancellation and termination dates, whichever is later, insurance will not be considered to have attached for that crop year and no premium, administrative fee, or indemnity will be due for such crop year.

(c) In addition to the provisions of section 11(b) of the Basic Provisions, insurance ends for the crop year on the earlier of:

- (1) The date harvest of the olives (by table/oil or variety) should have started on any acreage that will not be harvested;
- (2) The final delivery date, if applicable, as provided for by your processor contract as either:
  - (i) A specific calendar date; or
  - (ii) A date to be established by the processor under the terms of the contract; or
- (3) The following calendar dates:
  - (i) For table olives – November 15; and
  - (ii) For oil olives – January 31 of the calendar year following the crop year.

(d) In addition to the provisions of section 11 of the Basic Provisions:

- (1) If you acquire an insurable share in any insurable acreage after coverage begins but on or before the acreage reporting date for the crop year, and after an inspection we consider the acreage acceptable, insurance will be considered to have attached to such acreage on the calendar date for the beginning of the insurance period. Acreage acquired after the acreage reporting date will not be insured.
- (2) If you relinquish your insurable share on any insurable acreage of olives on or before the acreage reporting date for the crop year, insurance will not be considered to have attached to, and no premium or indemnity will be due for such acreage for that crop year unless:
  - (i) A transfer of coverage and right to an indemnity, or a similar form approved by us, is completed by all affected parties;
  - (ii) We are notified by you or the transferee in writing of such transfer on or before the acreage reporting date; and
  - (iii) The transferee is eligible for crop insurance.
- (3) If you relinquish your insurable share on any insurable acreage of olives after the acreage reporting date for the crop year, insurance coverage will be provided for any loss due to an insurable cause of loss that occurred prior to the date that you relinquished your insurable share and the whole premium will be due for such acreage for that crop year.

#### 11. 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 that occur during the insurance period:

- (1) Adverse weather conditions including excessive moisture that prevents the harvesting equipment from entering the grove or that prevents the timely operation of harvesting equipment;
- (2) Fire, unless weeds and undergrowth have not been controlled or pruning debris has not been removed from the grove or mechanically ground and left in the grove;
- (3) Earthquake;

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- (4) Volcanic eruption;
  - (5) Wildlife;
  - (6) Insects, but not damage due to insufficient or improper application of pest control measures;
  - (7) Plant disease, but not damage due to insufficient or improper application of disease control measures; or
  - (8) Failure of the irrigation water supply, if due to a cause specified in section 11(a)(1) through (4) that occurs during the insurance period.
- (b) In addition to the causes of loss excluded in section 12 of the Basic Provisions, we will not insure against damage or loss of production due to the:
- (1) Rejection of the crop by the processor due to being undersized, immature, overripe, mechanically damaged, or for any other reason; or
  - (2) Inability to market the olives for any reason. For example, we will not pay you an indemnity if you are unable to market due to quality (except as allowed in section 13(f) and (g) of these Crop Provisions), quarantine, boycott, or refusal of any person to accept production.

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

In addition to the requirements of section 14 of the Basic Provisions, the following will apply:

- (a) You must notify us within 3 days of the date harvest should have started if the crop will not be harvested.
- (b) If the Special Provisions permit direct marketing, you must notify us at least 15 days before any production from any unit will be sold by direct marketing. We will conduct an appraisal that will be used to determine your production to count for production that is sold by direct marketing unless this requirement is amended or waived by the Special Provisions.
  - (1) If damage occurs after this appraisal, we will conduct an additional appraisal.
  - (2) These appraisals, and any acceptable records provided by you, will be used to determine your production to count.
  - (3) Failure to give timely notice that production will be sold by direct marketing will result in production to count determined in accordance with section 13(d)(1)(i) of these Crop Provisions if such failure results in our inability to make the required appraisal.
- (c) If you intend to claim an indemnity on any unit, you must notify us at least 15 days prior to the beginning of harvest if you previously gave notice in accordance with section 14 of the Basic Provisions, so that we may inspect the damaged production.
  - (1) You must not sell or dispose of the damaged crop until after we have given you written consent to do so.
  - (2) If you fail to meet the requirements of this section, and such failure results in our inability to inspect the damaged production, all such production will be considered undamaged and included as production to count.

- (d) If you will harvest any acreage in a manner other than as you reported it for coverage (e.g., you reported table olives but will harvest the acreage for oil, or you reported oil olives but will harvest the acreage for table olives), you must notify us at least 15 days before any production from any unit will be harvested so that we may appraise the acreage. Failure to timely provide notice will result in production to count determined in accordance with section 13(d)(1)(i) of these Crop Provisions if such failure results in our inability to make the required appraisal unless you provide acceptable records that can be used to establish the appraised production for the acreage of the reported olives.

## 13. Settlement of Claim.

- (a) Indemnities will be calculated separately for each year in the two-year coverage period.
- (b) We will determine your loss on a unit basis.
- (c) In the event of loss or damage covered by this policy, we will settle your claim on any insured unit by:
  - (1) Multiplying the insured acreage by its respective production guarantee;
  - (2) Multiplying each result in section 13(c)(1) by the respective price election;
  - (3) Totaling the results in section 13(c)(2);
  - (4) Multiplying the total production to count for table and oil olives (see section 13(d)) by the respective price election you selected;
  - (5) Totaling the results in section 13(c)(4);
  - (6) Subtracting the result of section 13(c)(5) from the result in section 13(c)(3); and
  - (7) Multiplying the result of section 13(c)(6) by your share.

Example 1 – Unit with table olives only:

You have a 100 percent share in 50 acres of table olives in a unit, with a production guarantee of 5 tons per acre. The price election is \$650.00 per ton. You are only able to harvest 175 tons. Your indemnity would be calculated as follows:

Step:

- (1) 50 acres x 5 tons = 250 ton guarantee;
- (2) 250 tons x \$650 price election = \$162,500 dollar guarantee;
- (4) 175 tons x \$650 price election = \$113,750 value of production to count;
- (6) \$162,500 - \$113,750 = \$48,750 loss; and
- (7) \$48,750 x 100 percent share = \$48,750 indemnity payment.

Example 2 - Unit with table and oil olives

You have a 100 percent share in 50 acres each of table and oil olives in the same unit, with a guarantee of 5 tons per acre for the table olives and 200 gallons per acre for the oil olives. The applicable price elections are \$650.00 per ton and \$14.50 per gallon. You are only able to harvest 175 tons of table olives and produce 7,000 gallons of oil from the oil olives. Your total indemnity for both

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table and oil olives would be calculated as follows:

Step:

- (1) 50 acres x 5 tons = 250 ton guarantee for table olives and  
50 acres x 200 gallons = 10,000 gallon guarantee for oil olives;
  - (2) 250 tons x \$650 price election = \$162,500 dollar guarantee for table olives and  
10,000 gallon guarantee x \$14.50 price election = \$145,000 dollar guarantee for oil olives;
  - (3) \$162,500 + \$145,000 = \$307,500 total dollar guarantee;
  - (4) 175 tons x \$650 price election = \$113,750 value of production to count for table olives and  
7,000 gallons x \$14.50 price election = \$101,500 value of production to count for oil olives;
  - (5) \$113,750 + \$101,500 = \$215,250 total value of production to count;
  - (6) \$307,500 - \$215,250 = \$92,250 loss; and
  - (7) \$92,250 loss x 100 percent share = \$92,250 indemnity payment.
- (d) The total olive production to count (in tons or gallons, as applicable) from all insurable acreage on the unit will include all harvested and appraised olive production. The total production to count will include:
- (1) All appraised production as follows:
    - (i) Not less than the production guarantee per acre for acreage:
      - (A) That is abandoned;
      - (B) That is sold by direct marketing if you fail to meet the requirements contained in section 12 of these Crop Provisions;
      - (C) That is damaged solely by uninsured causes;
      - (D) For which you fail to provide production records that are acceptable to us; or
      - (E) That is harvested in a manner other than as you reported it for coverage if you fail to meet the requirements contained in section 12 of these Crop Provisions.
    - (ii) Production lost due to uninsured causes;
    - (iii) Unharvested production; and
    - (iv) Potential production on insured acreage you intend to abandon or 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 do not agree with our appraisal, we may defer the claim only if you agree to continue to care for the crop. We will then make another appraisal when you notify us of further damage or that harvest is general in the area unless you harvested the crop, in which case we

will use the harvested production. If you do not continue to care for the crop, our appraisal made prior to deferring the claim will be used to determine the production to count; and

- (2) All harvested production from the insurable acreage of:
  - (i) Olives reported to us as table olives which:
    - (A) Are inspected, size graded, and certified on an applicable form in accordance with size standards contained in the U.S. Grades for Canned Ripe Olives and any Federal Marketing Order established for the production area; or
    - (B) Notwithstanding section 13(d)(2)(i)(A), are delivered to a processor for processing purposes as table olives, including green olives.
  - (ii) All grades of olive oil produced from olives reported to us as oil olives; and
  - (iii) Direct marketed olives reported to us as either table or oil olives.
- (e) Any mature olive production will not be considered production to count if it is:
  - (1) Knocked or falls to the ground due to earthquake, wind, or hail and is not harvested;
  - (2) Damaged by freezing temperatures to the extent we determine it cannot be processed for table or oil purposes in accordance with FCIC approved procedures and such production is not harvested; or
  - (3) Damaged by insured causes and ordered destroyed by a Federal or State agency.

The disposition of the production in section 13(e)(1) – (3) must comply with approved procedures issued by FCIC.
- (f) We will include any production damaged by freeze in section 13(e)(2) as production to count if the production is harvested and processed for purposes other than table or oil use. The production to count (in tons or gallons, as applicable) will be determined by dividing the total value received for the production by the respective price election and multiplying the result by .75.
- (g) Notwithstanding section 11(b) of these Crop Provisions, mature olive production may be adjusted for quality if applicable standards are provided in the Special Provisions.
- (h) Any appraisal of oil olives will be determined on a pounds basis, converted to tons by dividing by 2,000 pounds, and then converted to a gallon basis by multiplying the total appraised production (in tons) by the applicable conversion factor for the variety contained in the Special Provisions.
- (i) If the oil processor determines your production of oil olives on a tonnage basis, the applicable conversion factor for the variety contained in the Special Provisions may be used to convert tons of harvested production to gallons of oil if you provide acceptable tonnage records and establish that



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these records are the only records of oil olive production available.

**14. Access to Records.**

In addition to the requirements of section 21 of the Basic Provisions, you authorize us, by applying for olive crop insurance, to have access to and to determine or verify your production and acreage from records maintained by the California Olive Committee and olive processors.

**15. Late and Prevented Planting.**

Sections 16 and 17 of the Basic Provisions do not apply.

**16. Written Agreements**

Written agreements are allowed only if authorized in these Crop Provisions or the Special Provisions.

**17. Substitution of Yields.**

Section 36 of the Basic Provisions does not apply unless otherwise authorized in the Special Provisions.