

**SUMMARY OF CHANGES FOR THE
ACTUAL PRODUCTION HISTORY (APH) SESAME PILOT CROP PROVISIONS
(2015-0396)**

The following is a brief description of the changes to the APH Sesame Pilot Crop Provisions that will be effective for the 2015 crop year. Please refer to the APH Sesame Pilot Crop Provisions for complete information.

Section 1 - Definitions

Revised the definition of non-dehiscent sesame variety.

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

Revised 3(b) to match similar language in the Basic Provisions.

Section 10 - Cause of loss

Added section (j). Included a provisions stating rejection of production for excessively high moisture content is an uninsured cause of loss.



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

1. Definitions.

Base contract price - The price per pound of clean dry sesame seed (in U.S. cents per pound) stipulated on the processor contract (without regard to discounts or incentives) that will be used to determine your price election.

Clean dry sesame - Clean whole sesame seed after removal of dockage, foreign matter, and broken or damaged seed, with moisture adjusted to 5 percent. **The seed must be marketable**, e.g., no heat damage, no mold damage, no Commercially Objectionable Foreign Odors (COFO), and not containing materials excluded by law such as glass or metal.

Harvest - Combining for seed.

Non-dehiscent sesame variety - A variety of sesame grown for food or industrial use that allows for mechanical harvest by retaining for up to three months after drying down at least 65 percent of the seed in the capsule until reaching the combine and releases at least 95 percent of the retained seed from the capsule when combined.

Planted acreage - In addition to the definition contained in the Basic Provisions, sesame seed must be planted in rows. Acreage planted in any other manner will not be insurable.

Price election - In lieu of the definition of "Price election" contained in section 1 of the Basic Provisions, the maximum price election is defined as the "Base contract price".

Processor - Any business enterprise regularly engaged in buying and processing sesame seed that possesses all licenses and permits for processing sesame seed 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 the contracted sesame seed 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 non-dehiscent sesame of the types specified in the Special Provisions, and to deliver the sesame production to the processor;
- (b) The processor's commitment to purchase all the production from a specified number of acres or the specified quantity of production stated in the processor contract; and
- (c) A base contract price.

Sesame - Non-dehiscent varieties of sesame adapted for mechanical harvesting of the seed for food or industrial use with minimal harvesting loss.

2. Unit Division.

In addition to the requirements of section 34 of the Basic Provisions, optional units may also be established by type, if types are designated on the Special Provisions.

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

- (a) In addition to the requirements of section 3 of the Basic Provisions, you may select only one base contract price percentage for all the sesame in the county insured under this policy.
- (b) If there are multiple base contract prices within the same unit, each will be considered a separate price election that will be multiplied by the value of the production guarantee (per acre) under the applicable processor contract. These amounts will be totaled to determine the total production guarantee used to establish the premium, liability, and indemnity for the unit.
- (c) To determine the production guarantee under the applicable processor contract, apply the lesser of the:
 - (1) Contracted acres multiplied by the production guarantee (per acre);
 - (2) Planted acres multiplied by the production guarantee (per acre);
 - (3) Total production stated in the contract; or
 - (4) For acreage and production contracts only, the contracted acres multiplied by the contracted production (per acre).

4. Contract Changes.

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

5. Cancellation and Termination Dates.

In accordance with section 2 of the Basic Provisions, the cancellation and termination dates are March 15 except for the counties in southern Texas as specified in the Special Provisions.

6. Report of Acreage.

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

7. Insured Crop.

- (a) In accordance with section 8 of the Basic Provisions, the crop insured will be all clean dry sesame seed 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 for food or industrial use;
 - (3) That is grown under, and in accordance with, the requirements of a processor contract executed on or before the acreage reporting date and is not excluded from the processor contract at any time during the crop year; and

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

- (i) Interplanted with another crop; or
- (ii) Planted into an established grass or legume; or
- (iii) Planted using a non-irrigated practice on land from which, in the same calendar year:
 - (A) A hay crop was harvested (including a harvested small grain hay crop),
 - (B) A small grain crop reached the headed stage (regardless of the percentage of small grain plants that reached the headed stage), or
 - (C) A crop was grazed past March 15 (or an alternative date in the Special Provisions).

- (b) A sesame producer who is also a processor may establish an insurable interest if the following requirements are met:

- (1) The producer must comply with these Crop 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 that the processing facilities comply with the definition of a processor contained in these Crop Provisions.

8. 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) Insurable acreage will be:
 - (1) For acreage-only based processor contracts and acreage and production based processor contracts that specify a maximum number of acres, the lesser of:
 - (i) The planted acres; or
 - (ii) The maximum number of acres specified in the contract.
 - (2) For production-only based processor contracts, the lesser of:
 - (i) The number of acres determined by dividing the production stated in the processor contract by the approved yield; or
 - (ii) The planted acres.

9. Insurance Period.

In accordance with the provisions of section 11 of the Basic Provisions, the end of the insurance period is December 10 of the calendar year in which the crop is

normally harvested unless otherwise stated in the Special Provisions.

10. 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 that occur during the insurance period:

- (a) Adverse weather
- (b) Fire;
- (c) Volcanic Eruption;
- (d) Earthquake;
- (e) Wildlife;
- (f) Insects, but not damage due to insufficient or improper application of pest control measures;
- (g) Plant disease, but not damage due to insufficient or improper application of disease control measures;
- (h) Failure of the irrigation water supply, if due to a cause of loss listed in section 10(a) through 10(g) that occurs during the insurance period; or
- (j) Rejection of production for excessively high moisture content is an uninsured cause of loss.

11. Duties In The Event of Damage or Loss.

In accordance with the requirements of section 14 of the Basic Provisions, the representative samples of the unharvested crop that we may require must be at least ten feet wide and extend the entire length of each field in the unit. The samples must not be harvested or destroyed until the earlier of our inspection or 15 days after harvest of the balance of the unit is completed.

12. Settlement of Claim.

- (a) We will determine your loss on a unit basis.
 - (1) In the event you are unable to provide separate, acceptable production records:
 - (i) For any optional units, we will combine all optional units for which such production records were not provided; or
 - (ii) For any basic units, we will allocate any commingled production to such units in proportion to our liability on the harvested acreage for the units.
 - (2) For any processor contract that stipulates only the amount of production to be delivered, and notwithstanding the provisions of this section or any unit division provisions contained in the Basic Provisions, no indemnity will be paid for any loss of production on any unit if the insured produced a crop sufficient to fulfill the processor contract(s) forming the basis of the insurance guarantee.
- (b) In the event of loss or damage covered by this policy, we will settle your claim by:
 - (1) Multiplying the insured acreage of each type, if applicable, determined in accordance with section 8(c) by its respective production guarantee (per acre);
 - (2) Multiplying each result in section 12(b)(1) by the respective price election for each type, if applicable;
 - (3) Totaling the results in section 12(b)(2);
 - (4) Multiplying the production of clean dry sesame seed to be counted for each type, if applicable

(see section 12(c)), by its respective price election (If you have multiple processor contracts with varying price elections within the same unit, we will value your production to count by using your highest price election first and will continue in decreasing order to your lowest price election based on the amount of production insured at each price election;

- (5) Totaling the results in section 12(b)(4);
- (6) Subtracting the results in section 12(b)(5) from the results in 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 50 acres of sesame in the unit, with an 800 pound production guarantee (per acre) and a price election of \$0.25 per pound. Due to insurable causes, you are only able to harvest 30,000 pounds of clean dry seed. Your indemnity would be calculated as follows:

- (1) 50 acres x 800 pounds = 40,000 pounds guarantee;
- (2) 40,000 pounds x \$0.25 price election = \$10,000 value of guarantee;
- (3) 30,000 pounds x \$0.25 price election = \$7,500 value of production to count;
- (4) \$10,000 - \$7,500 = \$2,500 loss; and
- (5) \$2,500 x 100 percent = \$2,500 indemnity payment.

- (c) The total production to count, specified in pounds of clean dry sesame seed, from all insurable acreage on the unit 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 put to another use without our consent;
 - (C) That is damaged solely by uninsured causes;
 - (D) For which you fail to provide production records that are acceptable to us.
 - (ii) Production lost due to uninsured causes.
 - (iii) Unharvested production.
 - (iv) Potential production on insured acreage that you intend to abandon or put to another use, 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 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.

- (2) All harvested clean dry sesame seed production from the insurable acreage.

13. Late and Prevented Planting

The late and prevented planting provisions of the Basic Provisions are not applicable.

14. Written Agreements

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