

SUMMARY OF CHANGES FOR THE RICE CROP PROVISIONS (17-0018)
(Released November 2016)

The following is a brief description of the changes to the Rice Crop Provisions that will be effective for the 2017 crop year. Please refer to the crop provisions for complete information.

Section 13 - Removed the prevented planting coverage level percent specified in the Crop Provisions to specify the percent in the actuarial documents to allow updates as needed.

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



1. Definitions.

Flood irrigation - An irrigated practice commonly used for rice production whereby the planted acreage is intentionally covered with water that is maintained at a uniform and shallow depth throughout the growing season.

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

Local market price - The cash price per pound for the U.S. No. 3 grade of rough rice offered by buyers in the area in which you normally market the rice. Factors not associated with grading under the United States Standards for Rice including, but not limited to, protein and oil content or milling quality will not be considered.

Planted acreage - In addition to the definition in section 1 of the Basic Provisions, land on which there is uniform placement of an adequate amount of rice seed into a prepared seedbed by one of the following methods (Acreage seeded in any other manner will not be insurable unless otherwise provided by the Special Provisions or by written agreement):

- (a) Drill seeding - Using a grain drill to incorporate the seed to a proper soil depth;
- (b) Broadcast seeding - Distributing seed evenly onto the surface of an un-flooded seedbed followed by either timely mechanical incorporation of the seed to a proper soil depth in the seedbed or flushing the seedbed with water; or
- (c) Broadcast seeding into a controlled flood - Distributing the rice seed onto a prepared seedbed that has been intentionally covered to a proper depth by water. The water must be free of movement and be completely contained on the acreage by properly constructed levees and gates.

Saline water - Water that contains a concentration of salt sufficient to cause damage to the insured crop.

Second crop rice - The regrowth of a stand of rice following harvest of the initially insured rice crop that can be harvested in the same crop year.

Swathed - Severance of the stem and grain head from the ground without removal of the rice kernels from the plant and placing in a windrow.

Total milling yield - Rice production consisting of heads, second heads, screenings, and brewer's rice as defined by the official United States Standards for Rice.

2. Unit Division.

Provisions in the Basic Provisions that allow optional units by irrigated and non-irrigated practices are not applicable.

3. 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 rice with either revenue protection or yield protection by the sales closing date.

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:

State and County	Cancellation and Termination Date
Jackson, Victoria, Goliad, Bee, Live Oak, McMullen, La Salle, and Dimmit Counties, Texas; and all Texas Counties south thereof;	January 31
Florida	February 15
All other Texas counties and all other states	February 28

6. Insured Crop.

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

- (a) In which you have a share;
- (b) That is planted for harvest as grain;
- (c) That is flood irrigated; and
- (d) That is not wild rice.

7. Insurable Acreage.

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

- (a) We will not insure any acreage planted to rice:
 - (1) The preceding crop year unless allowed by the Special Provisions; or
 - (2) That 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 producers in the area would normally not further care for the crop, must be replanted unless we agree that it is not practical to replant.

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 October 31 immediately following planting.

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 that occur during the insurance period:
 - (1) Adverse weather conditions (except drought);

- (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;
 - (8) Failure of the irrigation water supply if caused by an insured cause of loss specified in sections 9(a)(1) through (7), drought, or the intrusion of saline water; or
 - (9) 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.
- (b) In addition to the causes of loss not insured against in section 12 of the Basic Provisions, we will not insure against any loss of production due to the application of saline water, except as specified in section 9(a)(8) of these crop provisions.

10. Replanting Payment.

- (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 10(a)(1), you must comply with all requirements regarding replanting payments contained in section 13 of the Basic Provisions;
 - (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; and
 - (4) The replanted crop must be seeded at a rate that is normal for initially planted rice (if new seed is planted at a reduced seeding rate into a partially damaged stand of rice, the acreage will not be eligible for a replanting payment).
- (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 400 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 on the unit will be reduced by the amount of the replanting payment. 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 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 12(b)(1)(i) or 12(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 12(b)(3)(i) or 12(b)(3)(ii), whichever is applicable;
 - (5) Subtracting the result of section 12(b)(4) from the result of section 12(b)(2); and
 - (6) Multiplying the result of section 12(b)(5) by your share.

For example:

You have 100 percent share in 50 acres of rice in the unit with a production guarantee (per acre) of 3,750 pounds, your projected price is \$.0750, your harvest price is \$.0700, and your production to count is 150,000 pounds.

If you elected yield protection:

- (1) 50 acres x (3,750 pound production guarantee x \$.0750 projected price) = \$14,062.50 value of the production guarantee
- (3) 150,000 pound production to count x \$.0750 projected price = \$11,250.00 value of the production to count
- (5) \$14,062.50 - \$11,250.00 = \$2,812.50
- (6) \$2,812.50 x 1.000 share = \$2,813.00 indemnity; or

If you elected revenue protection:

- (1) 50 acres x (3,750 pound production guarantee x \$.0750 projected price) = \$14,062.50 revenue protection guarantee
- (3) 150,000 pound production to count x \$.0700 harvest price = \$10,500.00 value of the production to count
- (5) \$14,062.50 - \$10,500.00 = \$3,562.50
- (6) \$3,562.50 x 1.000 share = \$3,563.00 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) That is damaged solely by uninsured causes; or
 - (D) For which you fail to provide acceptable production records;
 - (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 12(d));
 - (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, including any production from a second rice crop harvested in the same crop year.
- (d) Mature rough rice 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 12 percent. 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 Rice, result in rice not meeting the grade requirements for U.S. No. 3 (grades U.S. No. 4 or worse) because of red rice, chalky kernels or damaged kernels;
 - (ii) The rice has a total milling yield of less than 68 pounds per hundredweight;
 - (iii) The whole kernel weight is less than 55 pounds per hundredweight of milled rice for medium and short grain varieties;
 - (iv) The whole kernel weight is less than 48 pounds per hundredweight of milled rice for long grain varieties; or
 - (v) 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 specified in section 12(d)(2) resulted from a cause of loss against which insurance is provided under these crop provisions and which occurs within the insurance period;
 - (ii) The deficiencies, substances, or conditions specified in section 12(d)(2) result in a net price for the damaged production that is less than the local market price;
 - (iii) All determinations of these deficiencies, substances, or conditions specified in section 12(d)(2) are made using samples of the production obtained by us or by a disinterested third party approved by us;
 - (iv) With regard to deficiencies in quality (except test weight, which may be determined by our loss adjuster), the samples are analyzed by:
 - (A) A grader licensed under the United States Agricultural Marketing Act or the United States Warehouse Act;
 - (B) A grader licensed under State law and

- employed by a warehouse operator who has a storage agreement with the Commodity Credit Corporation; or
 - (C) A 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
 - (v) With regard to substances or conditions injurious to human or animal health, the samples are analyzed by a laboratory approved by us.
- (4) Rice production that is eligible for quality adjustment, as specified in sections 12(d)(2) and (3), will be reduced as follows:
- (i) In accordance with quality adjustment factors contained in the Special Provisions; or
 - (ii) If quality adjustment factors are not contained in the Special Provisions, as follows:
 - (A) The market price of the qualifying damaged production and the local market price will be determined on the earlier of the date such quality adjusted production is sold or the date of final inspection for the unit. The price for the qualifying damaged production will be the market price for the local area to the extent feasible. Discounts used to establish the net price of the damaged production will be limited to those that are usual, customary, and reasonable. The price will not be reduced for:
 - (1) Moisture content;
 - (2) Damage due to uninsured causes; or
 - (3) Drying, handling, processing, or any other costs associated with normal harvesting, handling, and marketing of the rice; except, if the price of the damaged production can be increased by conditioning, we may reduce the price of the production after it has been conditioned by the cost of conditioning but not lower than the value of the production before conditioning,

(We may obtain prices from any buyer of our choice. If we obtain prices from one or more buyers located outside your local market area, we will reduce such prices by the additional costs required to deliver the rice to those buyers.);
- (B) The value of the damaged or conditioned production will be divided by the local market price to determine the quality adjustment factor; and
 - (C) The number of pounds remaining after any reduction due to excessive moisture (the moisture-adjusted gross pounds (if appropriate)) of the damaged or conditioned production will then be multiplied by the quality adjustment factor to determine the net production to count.
- (e) Any production harvested from plants growing in the insured crop may be counted as production of the insured crop on a weight basis.
- 13. Prevented Planting.** Your prevented planting coverage will be a percentage specified in the actuarial documents of your production guarantee for timely planted acreage. If you have additional levels of coverage and pay an additional premium, you may increase your prevented planting coverage if such additional coverage is specified in the actuarial documents.