

SUMMARY OF CHANGES FOR THE SAFFLOWER CROP PROVISIONS (17-0049)
(Released November 2016)

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

Section 12 - 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. Removed the reference to limited level of coverage and subpart T.



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

If a conflict exists among the policy provisions, the order of priority is as follows: (1) the Catastrophic Risk Protection Endorsement, if applicable; (2) the Special Provisions; (3) these Crop Provisions; and (4) the Basic Provisions with (1) controlling (2), etc.

1. Definitions.

Harvest - Collecting the safflower seed by combining or threshing.

Local market price - The cash price per pound for undamaged safflower (test weight of 35 pounds per bushel or higher and seed damage less than 25 percent) offered by buyers.

Nurse crop (companion crop) - A crop planted into the same acreage as another crop, that is intended to be harvested separately, and which is planted to improve growing conditions for the crop with which it is grown.

Planted acreage - In addition to the definition contained in the Basic Provisions, safflowers must initially be planted in rows, unless otherwise provided by the Special Provisions, actuarial documents, or by written agreement.

Pound - Sixteen ounces avoirdupois.

Value per pound - The cash price per pound for damaged safflower (test weight below 35 pounds per bushel, seed damage in excess of 25 percent, or both).

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

In addition to the requirements of section 3 (Insurance Guarantees, Coverage Levels, and Prices for Determining Indemnities) of the Basic Provisions, you may select only one price election for all the safflower in the county insured under this policy unless the Special Provisions provide different price elections by type, in which case you may select one price election for each safflower type designated in the Special Provisions. The price elections you choose for each type must have the same percentage relationship to the maximum price offered by us for each type. For example, if you choose 100 percent of the maximum price election for one type, you must also choose 100 percent of the maximum price election for all other types.

3. Contract Changes.

In accordance with section 4 (Contract Changes) of the Basic Provisions, the contract change date is August 31 preceding the cancellation date for California, and December 31 preceding the cancellation date for all other states.

4. Cancellation and Termination Dates.

In accordance with section 2 (Life of Policy, Cancellation, and Termination) of the Basic Provisions, the cancellation and termination dates are:

| <u>State</u> | <u>Cancellation and Termination Dates</u> |
|------------------|---|
| California | December 31 |
| All other states | March 15 |

5. Insured Crop.

In accordance with section 8 (Insured Crop) of the Basic Provisions, the crop insured will be all safflower 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 safflower seed;

- (c) That is not (unless allowed by the Special Provisions or by written agreement):

- (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 (Insurable Acreage) of the Basic Provisions, we will not insure:

- (a) Safflower planted on land on which safflower, sunflower seed, any variety of dry beans, soybeans, mustard, rapeseed, or lentils were grown the preceding crop year, unless other rotation requirements are specified in the Special Provisions or we agree in writing to insure such acreage; or
- (b) Any acreage of safflower damaged before the final planting date, to the extent that the majority of producers in the area would normally not further care for the crop, unless the crop is replanted or we agree that it is not practical to replant.

7. Insurance Period.

In accordance with the provisions of section 11 (Insurance Period) of the Basic Provisions, the calendar date for the end of the insurance period is October 31 immediately following planting.

8. Causes of Loss.

In accordance with the provisions of section 12 (Causes of Loss) of the Basic Provisions, insurance is provided only against the following causes of loss that occur during 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, unless proper measures to control wildlife have not been taken;
- (f) Earthquake;
- (g) Volcanic eruption; or
- (h) Failure of the irrigation water supply, if caused by an insured cause of loss that occurs during the insurance period.

9. Replanting Payment.

- (a) In accordance with section 13 (Replanting Payment) of the Basic Provisions, a replanting payment is allowed if the 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.
- (b) The maximum amount of the replanting payment per acre will be the lesser of 20 percent of the production guarantee or 160 pounds, multiplied by your price election, multiplied by your insured share.
- (c) When safflower is replanted using a practice that is uninsurable as 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.

10. Duties In The Event of Damage or Loss.

In accordance with the requirements of section 14 (Duties in the Event of Damage or Loss) of the Basic Provisions, the representative samples of the unharvested crop must be at least 10 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.

11. 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 unit, we will combine all optional units for which such production records were not provided; or
- (2) For any basic unit, we will allocate any commingled production to such units in proportion to our liability on the harvested acreage for the unit.

(b) In the event of loss or damage covered by this policy, we will settle your claim by:

- (1) Multiplying the insured acreage by its respective production guarantee;
- (2) Multiplying each result in section 11(b)(1) by the respective price election;
- (3) Totaling the results in section 11(b)(2);
- (4) Multiplying the total production to be counted of each type if applicable, (see section 11(c)) by the respective price election;
- (5) Totaling the results in section 11(b)(4);
- (6) Subtracting the results from the total in section 11(b)(5) from the results in section 11(b)(3); and
- (7) Multiplying the result in section 11(b)(6) by your share.

(c) The total production to count (in pounds) 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 the 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 11(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 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 safflower 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 8 percent. We may obtain samples of the production to determine the moisture content.

(2) Production will be eligible for quality adjustment if such production:

- (i) Has a test weight below 35 pounds per bushel;
- (ii) Has seed damage in excess of 25 percent; or
- (iii) Contains substances or conditions 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 that occurred within the insurance period;
- (ii) The deficiencies, substances, or conditions result in a value per pound that is less than the local market price;
- (iii) 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;
- (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) Safflower production that is eligible for quality adjustment, as specified in sections 11(d)(2) and (3), will be reduced as follows:
 - (i) In accordance with the quality adjustment factors contained in the Special Provisions; or
 - (ii) If quality adjustment factors are not contained in the Special Provisions:
 - (A) By determining the value per pound and the local market price on the earlier of the date such quality adjusted production is sold or the date of final inspection for the unit. Discounts used to establish the value per pound will be limited to those which are usual, customary, and reasonable. The value per pound 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 safflower. We may obtain values per pound from any buyer of our choice. If we obtain values per pound from one or more buyers located outside your local market area, we will reduce such values per pound by the additional costs required to deliver the production to those buyers.
 - (B) Divide the value per pound by the local market price to determine the quality adjustment factor; and
 - (C) Multiply the adjustment factor by the number of pounds of the damaged production remaining after any reduction due to excessive moisture to determine the net production to count.
- (e) Any production harvested from other 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 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.