UNITED STATES DEPARTMENT OF AGRICULTURE
FEDERAL CROP INSURANCE CORPORATION
RAINFALL INDEX PLAN
APICULTURE (API) CROP PROVISIONS

For ease in the administration of the terms of this policy and to avoid the duplication of documents, as used throughout the Basic Provisions and applicable handbooks and directives, the term "acre" is replaced by "colony;" "acres" and "acreage" is replaced with "colonies;" "acreage report" is replaced with "colony report;" and "acreage reporting date" is replaced with "colony reporting date." First and second crop definitions are not applicable. If a conflict exists among the policy provisions, the order of priority is as follows: (1) the Special Provisions; (2) these Crop Provisions; and (3) the Basic Provisions of the Rainfall Index Plan of Insurance with (1) controlling (2), etc.

1. Definitions.

Apiculture – The raising and care of honey bees for agricultural crop production purposes, to include but not limited to: honey production, collection of pollen, wax, and breeding purposes.

Colony – A group of honey bees housed in a managed hive used for apiculture, which does not include wild or feral honey bees.

Contiguous – In lieu of the definition contained in section 1 of the Basic Provisions, acreage which contains locations occupied and foraged by insurable colonies owned or controlled by you, or rented by you for cash or crop share, in a county or grid that continues into an adjoining county or grid without interruption. Acreage separated by only a public or private right-of-way, waterway, or an irrigation canal will be considered contiguous. In this definition, colonies shall not be substituted for acreage.

County – In lieu of the last sentence in the definition contained in section 1 of the Basic Provisions, county also includes any acreage that contains locations occupied by insurable colonies contained within a grid ID that crosses an adjoining county line where the acreage occupied and foraged by such colonies are contiguous.

Crop – For the purposes of these Crop Provisions, crop means apiculture with the ability to produce honey.

Crop year – In lieu of the definition contained in section 1 of the Basic Provisions, the crop year begins on February 1 and ends on January 31 in the following calendar year.

Hive – A shelter constructed for housing a colony of honey bees, also referred to as a beehive.

Honey – A sweet, viscid fluid produced by bees from the nectar collected from flowers.

Honey bees – Bees of the species *Apis mellifera, sp* which produce and store honey.

Insured colonies – In lieu of the definition "insured acres" contained in section 1 of the Basic Provisions, your insured colonies do NOT have to equal your insurable colonies. You may select the number of colonies to be insured. However, the amount of your insured colonies in the county will not exceed 100 percent of your insurable colonies in the county.

Location – The physical point or residence of hives on a tract of land.

Practice – As provided in the Basic Provisions, practices are only periods of time labeled as index intervals and are contained in the Special Provisions.

Unit – In lieu of the definition contained in section 1 of the Basic Provisions, the insured colonies within or assigned to a grid ID, by share, and practice in the county.

2. Insured Crop.

(a) In addition to the provisions in section 4(a) of the Basic Provisions, the insured crop will be apiculture:
  (1) In which you have a share;
  (2) Located on acreage in the county listed on the accepted application; and
  (3) Reported by the colony reporting date.

(b) You are NOT required to insure 100 percent of the insurable colonies in the county.

(c) You must determine the applicable grid IDs, the number of insured colonies, and practices that will be insured not later than the sales closing date.

3. Insured and Insurable Colonies.

(a) In lieu of section 5(a)(2) of the Basic Provisions, you may elect to insure all or a portion of your insurable colonies in the county.

(b) In lieu of section 5(b) of the Basic Provisions, you will have only one dollar amount of protection per colony for the county while the amount of premium and indemnity will be calculated separately for each unit.

(c) In lieu of section 5(c) of the Basic Provisions:
  (1) The insured colonies are only those insurable colonies, located in the county listed on your accepted application, reported on or before the colony reporting date that you elect to insure; and
  (2) The same colonies cannot be insured under more than one plan of insurance or in more than one state during the crop year. For example, if you have 1,000 insurable colonies and you elect to insure

500 colonies under these Crop Provisions in Ochiltree County, Texas; those same colonies cannot be insured in any other state or county or under any other plan of insurance during the crop year. However, the other 500 colonies can be insured in another county or state, or under another plan of insurance, if available.

(d) For the purposes of 5(d) of the Basic Provisions, separate points of reference must be established in a grid for the insured colony locations instead of by type and practice.

(e) In addition to section 5(d) of the Basic Provisions, insured colonies must be allocated to more than one practice for each grid ID and share. The maximum or minimum percentage of insured colonies allowed in any one practice, by grid ID and share, is specified in the Special Provisions.

(f) Sections 5(e)(2), 5(e)(3), and 5(e)(4) of the Basic Provisions are not applicable.

4. Amounts of Protection and Coverage Levels.

(a) In lieu of section 6(a) of the Basic Provisions, catastrophic risk protection is not available under these Crop Provisions.

(b) For the purposes of section 6(b) of the Basic Provisions, you must select only one coverage level and one productivity factor per county.

5. Report of Colonies.

(a) In addition to section 8(b) of the Basic Provisions, your colony report must include the following information:

(1) All colonies in which you have a share in the United States.

(2) A certification that:

(i) The point of reference used for each grid ID is identifying the locations of your insured colonies covered under these Crop Provisions;

(ii) The colonies qualify as apiculture; and

(iii) The selected practices support the vegetation production necessary for the insured crop.

(b) Sections 8(g), 8(h), and 8(i) of the Basic Provisions are not applicable.

6. Share Insured.

(a) In addition to section 9(c) of the Basic Provisions, you may still have a 100 percent share in the insured crop even if you lease the colonies for only a portion of the crop year provided you receive 100 percent of the benefits from such crop. However, under no circumstances can the share in the colonies exceed 100 percent (*e.g.,* the landlord cannot insure 50 percent of colonies and the tenant insure 100 percent of the colonies during the same crop year).

(b) In addition to section 9 of the Basic Provisions, your share in the colonies will be used to determine the maximum and minimum percentage of insured colonies that must be allocated to each practice in accordance with section 3(e) of these Crop Provisions.

7. Annual Premium and Administrative Fees.

In accordance with section 10(a) of the Basic Provisions, the annual premium is earned and payable at the time the insured crop is reported on or before the colony reporting date.

8. Insurance Period and Program Dates.

(a) The sales closing date for all states and counties is November 30 preceding the start of the crop year.

(b) The cancellation and termination date for all states and counties is November 30.

(c) The contract change date for all states and counties is August 31.

9. Access to Insured Crop and Record Retention.

In addition to 16(b) of the Basic Provisions, you must also retain and provide upon our request, or the request of any employee of USDA authorized to investigate or review any matter relating to crop insurance, all applicable records for all of your colonies in the United States that were not insured, but were required to be reported.

10. Indemnity and Premium Limitations.

Section 25 of the Basic Provisions is not applicable to these Crop Provisions.

Examples Demonstrating How the Apiculture Rainfall Index Works.

Note: Many of the calculations are rounded to the nearest whole dollar.

The county base value per colony for Apiculture in this example is $120.00.

Producer A

Producer A has a 100 percent share and selects a 90 percent coverage level and a 120 percent productivity factor, resulting in $129.60 of protection per insured colony [dollar amount of protection per colony equals county base value per colony multiplied by the coverage level selected ($120.00 x .90 = $108) multiplied by the productivity factor selected ($108 x 120% = $129.60)].

Producer A:
Has a colony location in the same grid as Producer B;
Has only one grid ID;
Has 1,000 insurable colonies in the county and chooses to insure all colonies resulting in 1,000 insured colonies.

Producer A insures 50 percent of his/her insured colonies and selects index interval II as the practice (500 colonies), and 50 percent of his/her insured

colonies in index interval III as the practice (500 colonies).

(Note: As provided in section 3(e), insured colonies must be allocated to more than one practice for each grid ID and share. The total of all the insured colonies per unit must equal the total number of elected insured colonies for each grid ID and share.)

Producer B
Producer B has a 50 percent share and selects a 75 percent coverage level and a 100 percent productivity factor, resulting in $90.00 of protection per insured colony [dollar amount of protection per colony equals county base value per colony multiplied by the coverage level selected ($120.00 x 0.75 = $90.00) multiplied by the productivity factor ($90.00 x 100% = $90.00)].

Producer B:
Has a colony location in the same grid as Producer A;
Has only one grid ID;
Has 1,000 insurable colonies in the county and chooses to only insure 800 colonies, resulting in 800 insured colonies.

Producer B insures 50 percent of his/her insured colonies and selects index interval II as the practice (400 colonies), and insures 50 percent of his/her insured colonies and selects index interval III as the practice (400 colonies).

Insurance Information
The expected grid index is 100 for each grid ID and index interval. The premium rate for 90 percent coverage level is $10 per hundred dollars of protection for index interval II and $11 per hundred dollars of protection for index interval III. The premium rate for 75 percent coverage level is $6 per hundred dollars of protection for index interval II, and $7 per hundred dollars of protection for index interval III. The adjustment factor is 0.01.

Policy Protection and Premium:
Producer A
Producer A's total policy protection is $129,600.

Producer A's policy protection for the unit comprised of index interval II is $64,800 [$129.60 x 500 colonies x 1.0 share (100% share)] and for the unit comprised of index interval III is $64,800 [$129.60 x 500 colonies x 1.0 share (100% share)].

The total premium due is $13,608 [($129.60 per colony protection x $10 per hundred rate x 500 colonies x 0.01 adjustment factor x 1.0 share for index interval II = $6,480) + ($129.60 per colony protection x $11 per hundred rate x 500 colonies x 0.01 adjustment factor x 1.0 share for index interval III = $7,128)].

Of the total premium due, FCIC pays $7,484 [($6,480 x 55 percent maximum subsidy for 90 percent coverage = $3,564) + ($7,128 x 0.55 = $3,920)].

Producer A's trigger grid index is 90 [90% coverage level x 100 expected grid index].

Producer B
Producer B's total policy protection is $36,000.

Producer B's policy protection for the unit comprised of index interval II is $18,000 [$90.00 x 400 colonies (50% of the insured colonies) x 0.5 share (50% share)] and for the unit comprised of index interval III is $18,000 [$90.00 x 400 colonies (50% of the insured colonies) x 0.5 share].

The total premium due is $2,340.

Producer B's premium for the unit comprised of index interval II is $1,080 [($90.00 per colony protection x $6 per hundred rate x 400 colony x 0.01 adjustment factor x 0.5), and for the unit comprised of index interval III is $1,260 [$90.00 per colony protection x $7 per hundred rate x 400 colony x 0.01 adjustment factor x 0.5 share].

Of the total premium due, FCIC pays $1,497 [($1080 x 64 percent maximum subsidy for 75 percent coverage = $691) + ($1,260 x 0.64 = $806)].

Producer B's trigger grid index is 75 [75% coverage level x 100 expected grid index].

Scenarios for index interval II:

Scenario 1 – FCIC issues a final grid index of 120 for the grid:
The final grid index is above both producers' trigger grid index, so no indemnity payment is due even if one or both have individual precipitation values for the index interval below normal.

Scenario 2 – FCIC issues a final grid index of 80 for the grid:
Producer A's trigger grid index of 90 is higher than the final grid index so he/she is eligible for an indemnity payment determined as follows: The payment calculation factor of 0.111 ((90 - 80)/90) multiplied by the $64,800 policy protection per unit = $7,193 indemnity payment.

Producer B's trigger grid index of 75 is less than the final grid index so no indemnity payment is due.

Scenario 3 – FCIC issues a final grid index of 60 for the grid:
Producer A's trigger grid index of 90 is higher than the final grid index so he/she is eligible for an indemnity payment determined as follows: The payment calculation factor of 0.333 ((90 - 60)/90) multiplied by the $64,800 policy protection per unit = $21,578 indemnity payment.

Producer B's trigger grid index of 75 is higher than the final grid index so he/she is eligible for an indemnity payment determined as follows: The payment calculation factor of 0.200 ((75 - 60)/75) multiplied by the $18,000 policy protection per unit = $3,600 indemnity payment.

Scenarios for index interval III:

Scenario 1 – FCIC issues a final grid index of 105 for the grid:
The final grid index is above both producers' trigger grid index, so no indemnity payment is due.

Scenario 2 – FCIC issues a final grid index of 78 for the grid:
Producer A's trigger grid index of 90 is higher than the final grid index so he/she is eligible for an indemnity payment determined as follows: The payment calculation factor of 0.133 ((90 - 78)/90) multiplied by the $64,800 policy protection per unit = $8,618 indemnity payment.

Producer B's trigger grid index of 75 is less than the final grid index, so no indemnity payment is due.

Scenario 3 – FCIC issues a final grid index of 70 for the grid:
Producer A's trigger grid index of 90 is higher than the final grid index so he/she is eligible for an indemnity payment determined as follows: The payment calculation factor of 0.222 ((90 - 70)/90) multiplied by the $64,800 policy protection per unit = $14,386 indemnity payment.

Producer B's trigger grid index of 75 is higher than the final grid index so he/she is eligible for an indemnity payment determined as follows: The payment calculation factor of 0.067 ((75 - 70)/75) multiplied by the $18,000 policy protection per unit = $1,206 indemnity payment.

Total Indemnities for the Insurance Period

Scenario 1 – No indemnities for either producer.

Scenario 2 – Producer A's total indemnities are $15,811 ($7,193 index interval II + $8,618 index interval III).

Producer B received no indemnities.

Scenario 3 - Producer A's total indemnities are $35,964 ($21,578 index interval II + $14,386 index interval III).

Producer B's total indemnities are $4,806 ($3,600 index interval II + $1,206 index interval III).