DEPARTMENT OF AGRICULTURE

Federal Crop Insurance Corporation

Revenue Assurance

ACTION: Notice of availability.

SUMMARY: In accordance with section 508(h) of the Federal Crop Insurance Act (Act), the Federal Crop Insurance Corporation (FCIC) Board of Directors (Board) approves for reinsurance and subsidy the insurance of wheat in North Dakota under the Revenue Assurance (RA) plan of insurance for the 1999 crop year. This notice is intended to inform eligible producers and the private insurance industry of the areas of availability, the RA coverage for wheat, and provide its terms and conditions.

FOR FURTHER INFORMATION CONTACT: Tim Hoffmann, Director, Product Development Division, Federal Crop Insurance Corporation, United States Department of Agriculture, 9435 Holmes Road, Kansas City, Missouri, 64131, telephone (816) 926-7387.

SUPPLEMENTARY INFORMATION: Section 508(h) of the Act allows for the submission of a policy to FCIC’s Board and authorizes the Board to review and, if the Board finds that the interests of producers are adequately protected and that any premiums charged to the producers are actuarially appropriate, approve the policy for reinsurance and subsidy in accordance with section 508(e) of the Act.

In accordance with the Act, the Board approved a program of insurance known as “Revenue Assurance” originally submitted by Farm Bureau Mutual Insurance Company of Iowa as a pilot project covering corn and soybeans for the 1997 and 1998 crop years.

The RA program was approved for reinsurance and premium subsidy, including subsidy for administrative and operating expenses. RA was designed to protect a producer’s revenue whenever low prices or low yields, or a combination of both, cause harvest revenue to fall below a guaranteed level. For the 1997 and 1998 crop years, a producer selected a per-acre revenue guarantee that could not be less than 65 percent or more than 75 percent of the expected revenue for a unit. The policy indemnity was finalized when the county harvest price and the producer’s actual production were determined.

This determination typically occurred in December for corn, and in November for soybeans. The crop prices were established on a county basis. The RA policy provides coverage on basic units, optional units, enterprise units, and whole-farm units.

For the 1999 crop year, the RA program was expanded for corn and soybeans into Illinois, South Dakota, and Minnesota, and producers can select a coverage level percentage up to 80 percent for whole-farm units, and a fall harvest price option that uses the greater of the projected harvest price or the fall harvest price in determining the revenue guarantee. The RA program now uses the Chicago Board of Trade futures market as a reference for crop prices rather than crop county prices for determining the revenue guarantee and the actual production history as the base for determining RA premium rates.

Beginning with the 1999 crop year, the RA program was also expanded into North Dakota for corn and soybeans, and wheat was approved as a new crop for North Dakota.

FCIC herewith gives notice of the above stated changes for the 1999 crop year for RA wheat for use by private insurance companies. On December 28, 1998, the RA corn and soybean crop provisions were published as a Notice of Availability in the Federal Register for RA expansion into Minnesota, South Dakota, and Illinois. The RA corn and soybean crop provisions for North Dakota are the same as those published in the December 28, 1998, Notice.

The RA underwriting rules, rate factors, and forms for wheat will be released electronically to all reinsured companies through FCIC’s Reporting Organization Server. FCIC will also make available the terms and conditions of the RA reinsurance agreement. Requests for this information should be sent to Heyward Baker, Director, Reinsurance Services Division, Federal Crop Insurance Corporation, 1400 Independence Avenue, S.W., Stop 8084, Room 6727–S, Washington, D.C., 20250–0804.

NOTICE: The Basic Provisions and Crop Provisions for the 1999 RA wheat program of insurance are as follows:

Revenue Assurance Insurance Policy

(This is a continuous policy. Refer to section 3.)

This policy is reinsured by the Federal Crop Insurance Corporation (FCIC) under the authority of section 508(h) of the Federal Crop Insurance Act (7 U.S.C. 1508(h)). The provisions of the policy may not be waived or varied in any way by the crop insurance agent or any other agent or employee of the company.

Throughout the policy, “you” and “your” refer to the named insured shown on the accepted application and “we,” “us,” and “our” refer to the company. Unless the context indicates otherwise, use of the plural form of a word includes the singular and use of the singular form of the word includes the plural.

Agreement to Insure: In return for the payment of the premium, and subject to all of the provisions of this policy, the company agrees with the insured to provide the insurance as stated in the policy. If a conflict exists among the policy provisions, the order of priority is as follows: (1) the Special Provisions; (2) the Crop Provisions; and (3) these Basic Provisions with (1) controlling (2), etc.

Basic Provisions

Terms and Conditions

1. Definitions

Abandon. Failure to continue to care for the crop, providing care so insignificant as to provide no benefit to the crop, or failure to harvest in a timely manner, unless an insured cause of loss prevents you from properly caring for or harvesting the crop or causes damage to it to the extent that most producers of the crop on acreage with similar characteristics in the area would not normally further care for or harvest it.

Acreage report. A report required by section 7 of these Basic Provisions that contains, in addition to other required information, your report of your share of all acreage of an insured crop in the county, whether insurable or not insurable.

Acreage reporting date. The date contained in the Special Provisions or
as provided in section 7 by which you are required to submit your acreage report.


Actual documents. The material for the crop year that is available for public inspection in your agent's office, and which shows the coverage level percent, premium factors, types, practices, insurable acreage, and other related information regarding crop insurance in the county.

Administrative fee. An amount you must pay for coverage for each crop year as specified in section 8.

Agricultural commodity. All insurable crops and other fruit, vegetable or nut crops produced for human or animal consumption.

Another use, notice of. The written notice required when you wish to put acreage to another use (see section 15).

Application. The form required to be completed by you and accepted by us before insurance coverage will commence. This form must be completed and filed in your agent's office no later than the sales closing date of the initial insurance year for each crop for which insurance coverage is requested. If cancellation or termination of insurance coverage occurs for any reason, including but not limited to indebtedness, suspension, debarment, disqualification, cancellation by you or us, or violation of the controlled substance provisions of the Food Security Act of 1985, a new application must be filed for the crop.

Insurance coverage will not be provided if you are ineligible under the contract or under any Federal statute or regulation.

Approved yield. The yield determined in accordance with 7 CFR part 400, subpart G.

Assignment of indemnity. A transfer of policy rights, made on our form, and effective when approved by us. It is the agreement whereby you assign your right to an indemnity payment to any party of your choice for the crop year.

Base premium rate. The premium rate for the risk of a revenue loss.

Cancellation date. The calendar date specified in the Crop Provisions on which coverage for the crop will automatically renew unless canceled in writing by either you or us, or terminated in accordance with the policy terms.

Claim for indemnity. A claim made on our form by you for damage or loss to an insured crop and submitted to us not later than 60 days after the end of the insurance period (see section 15).

Consent. Approval in writing by us allowing you to take a specific action.

Contract. (See definition of “policy”). Contract change date. The calendar date by which we make any policy changes available for inspection in the agent's office (see section 5).

County. Any county, parish, or other political subdivision of a state shown on your accepted application, including acreage in a field that extends into an adjoining county if the county boundary is not readily discernible.

Coverage. The insurance provided by this policy, against insured loss of revenue, by unit as shown on your summary of coverage.

Coverage begins, date. The calendar date insurance begins on the insured crop, as contained in the Crop Provisions, or the date planting begins on the unit (see section 12 of these Basic Provisions for specific provisions relating to prevented planting).

Coverage level percent. The percent, expressed in decimals (xxxx), determined by dividing the per-acre revenue guarantee (see section 1) by the expected per-acre revenue (see section 1) rounded to hundreds for enterprise or whole-farm units.

Crop premium per acre. Your per acre revenue guarantee multiplied by a base rate.

Crop Provisions. The part of the policy that contains the specific provisions of insurance for each insured crop.

Crop year. The period within which the insured crop is normally grown, regardless of whether or not it is actually grown, and designated by the calendar year in which the insured crop is normally harvested.

Damage, injury, deterioration, or loss of revenue of the insured crop due to insured or uninsured causes.

Damage, notice of. A written notice required to be filed in your agent's office whenever you initially discover the insured crop has been damaged to the extent that a loss is probable (see section 15).

Days. Calendar days.

Deductible. The amount determined by subtracting the coverage level percent you choose from 100 percent. For example, if you elected a 65 percent coverage level, your deductible would be 35 percent (100% - 65% = 35%).

Delinquent account. Any account you have with us in which premiums, administrative fees, and interest on those amounts is not paid by the termination date specified in the Crop Provisions, or any other amounts due us, such as indemnities found not to have been earned, which are not paid within 30 days after mailing of the notice of delivery of notification to you of the amount due.

Earliest planting date. The earliest date established for planting the insured crop (see Special Provisions and section 14).

End of insurance period, date of. The date upon which your crop insurance coverage ceases for the crop year (see Crop Provisions and section 12).

Expected per-acre revenue. The approved yield times the projected harvest price.

FCIC. The Federal Crop Insurance Corporation, a wholly owned government corporation within USDA.

Field. All acreage of tillable land within a natural or artificial boundary (e.g., roads, waterways, fences, etc.).

Final planting date. The date contained in the Special Provisions for the insured crop by which the crop must initially be planted in order to be insured for the full per-acre revenue guarantee.

FSA. The Farm Service Agency, an agency of the USDA, or a successor agency.

FSA Farm Serial Number. The number assigned to the farm by the local FSA office.

Good farming practices. The cultural practices generally in use in the county for the crop to make normal progress toward maturity and produce at least the yield used to determine the per-acre revenue guarantee, and are those recognized by the Cooperative State Research, Education, and Extension Service as compatible with agronomic and weather conditions in the county.

Insured. The named person as shown on the application accepted by us. This term does not extend to any other person having a share or interest in the crop (for example, a partnership, landlord, or any other person) unless specifically indicated on the accepted application.

Insured crop. The crop for which coverage is available under these Basic Provisions and the applicable Crop Provisions as shown on the application accepted by us.

Interplanted. Acreage on which two or more crops are planted in a manner that does not permit separate agronomic maintenance or harvest of the insured crop.

Irrigated practice. A method of producing a crop by which water is artificially applied during the growing season by appropriate systems and at the proper times, with the intention of providing the quantity of water needed to produce at least the yield used to establish the per-acre revenue guarantee on the irrigated acreage planted to the insured crop.
Late planted. Acreage initially planted to the insured crop after the final planting date.

Late planting period. The period that begins the day after the final planting date for the insured crop and ends 25 days after the final planting date, unless otherwise specified in the Crop Provisions or Special Provisions.

Loss, notice of. The notice required to be given by you not later than 72 hours after certain occurrences or 15 days after the end of the insurance period, whichever is earlier (see section 15).

MPCI. Multiple peril crop insurance program, a program of insurance offered under the Act and implemented in 7 CFR chapter IV.

Negligence. The failure to use such care as a reasonably prudent and careful person would use under similar circumstances.

Per-acre revenue guarantee. The coverage level percent times your approved yield, times the projected harvest price, times the approved yield, times the greater of the projected harvest price or the fall harvest price, the per-acre revenue guarantee equals the coverage level percent, projected harvest price, unit options, and other factors. Prevented planting. Failure to plant the insured crop with proper equipment by the final planting date designated in the Special Provisions for the insured crop in the county. You may also be eligible for a prevented planting payment if you failed to plant the insured crop with the proper equipment within the late planting period. You must have been prevented from planting the insured crop due to an insured cause of loss that is general in the surrounding area and that prevents other producers from planting acreage with similar characteristics.

Production report. A written record showing your annual production and used by us to determine your yield for insurance purposes (see section 4). The report contains yield information for previous years, including planted acreage and harvested production. This report must be supported by written verifiable records from a warehouseman or buyer of the insured crop, or by measurement of farm stored production, or by other records of production approved by us on an individual case basis.

Replanting. Performing the cultural practices necessary to prepare the land to replace the seed of the damaged or destroyed insured crop and then replacing the seed of the same crop in the insured acreage with the expectation of producing at least the yield used to determine the per-acre revenue guarantee.

Representative sample. Portions of the insured crop that must remain in the field for examination and review by our loss adjuster when making a crop appraisal, as specified in the Crop Provisions. In certain instances we may allow you to harvest the crop and require only that samples of the crop residue be left in the field.

Revenue guarantee. The per-acre revenue guarantee times the number of insurable acres in the unit, and times your respective share (see definition of per-acre revenue guarantee and section 2 of the Crop Provisions).

Sales closing date. A date contained in the Special Provisions by which an application must be filed. The last date by which you may change your crop insurance coverage for a crop year.

Share. Your percentage of interest in the insured crop as an owner, operator, or tenant at the time insurance attaches. However, only for the purpose of determining the amount of indemnity, your share will not exceed your share at the earlier of the time of loss, or the beginning of harvest.

Special Provisions. The part of the policy that contains specific provisions of insurance for each insured crop that may vary by geographic area.

State. The state shown on your accepted application.

Substantial beneficial interest. An interest held by any person of at least 10 percent in the applicant or insured.

Summary of coverage. Our statement to you, based upon your acreage report, specifying the insured crop and the revenue guarantee provided by unit.

Tenant. A person who rents land from another person for a share of the crop or a share of the proceeds of the crop (see the definition of "share").

Termination date. The calendar date contained in the Crop Provisions upon which your insurance ceases to be in effect because of nonpayment of any amount due us under the policy, including premium.

Timely planted. Planted on or before the final planting date designated in the Special Provisions for the insured crop in the county.

Unit.

(a) Basic unit—A basic unit established in accordance with section 2(a).

(b) Optional unit—A unit established from basic units in accordance with section 2(b).

(c) Enterprise unit—A unit established from basic units or optional units in accordance with section 2(c).

(d) Whole-farm unit—A unit established from enterprise units in accordance with section 2(d).

USDA, United States Department of Agriculture.
Void. When the policy is considered not to have existed for a crop year as a result of concealment, fraud or misrepresentation (see section 27).

2. Unit Structure

(a) Basic unit—All insurable acreage of the insured crop in the county on the date coverage begins for the crop year:

(1) In which you have a 100 percent share; or

(2) Which is owned by one person and operated by another person on a share basis. (Example: If, in addition to the land you own, you rent land from five landlords, three on a crop share basis and two on a cash basis, you would be entitled to four units, one for each crop share lease and one that combines the two cash leases and the land you own.) Land which would otherwise be one unit may, in certain instances, be divided according to guidelines contained in this section and in the applicable Crop Provisions.

(b) Optional unit—Unless limited by the Crop Provisions or Special Provisions, a basic unit as defined in section 2(a) of these Basic Provisions may be divided into optional units if, for each optional unit:

(1) You meet the following:

(i) You must plant the crop in a manner that results in a clear and discernible break in the planting pattern at the boundaries of each optional unit;

(ii) Each optional unit must also meet the following:

(A) You have records, that are combined to reflect the actual unit structure when adjusting a loss. No further unit division may be made after the acreage reporting date for any reason;

(B) You have records, that are acceptable to us, of planted acreage and the production from each optional unit for at least the last crop year used to determine your revenue guarantee; and

(C) You have records of marketed or stored production from each optional unit maintained in such a manner that permits us to verify the production from each optional unit, or the production from each optional unit is kept separate until loss adjustment is completed by us.

(2) Each optional unit must also meet one or more of the following, unless otherwise specified in the Crop Provisions:

(i) Optional units may be established if each optional unit is located in a separate section. In the absence of such sections, we may consider parcels of land legally identified by other methods of measure such as Spanish grants, as the equivalents of sections for unit purposes. In areas which have not been surveyed using sections, section equivalents or in areas where boundaries are not readily discernible, each optional unit must be located in a separate FSA farm serial number; and

(ii) In addition to, or instead of, establishing optional units by section, section equivalent, or FSA farm serial number, optional units may be based on irrigated and non-irrigated acreage. To qualify as separate irrigated and non-irrigated optional units, the non-irrigated acreage may not continue into the irrigated acreage in the same rows or planting pattern. The irrigated acreage may not extend beyond the point at which the irrigation system can deliver the quantity of water needed to produce the yield on which your revenue guarantee is based, except the corners of a field in which a center-pivot irrigation system is used may be considered as irrigated acreage if the corners of a field in which a center-pivot irrigation system is used do not qualify as a separate non-irrigated optional unit. In this case, production from both practices will be used to determine your approved yield.

(3) If you do not comply with the provisions in this section, we will combine all optional units that are not in compliance with these provisions into the basic unit from which they were formed. We will combine the optional units at any time we discover that you have failed to comply with these provisions. If failure to comply with these provisions is determined by us to be inadvertent, and the optional units are combined into a basic unit, that portion of the additional premium paid for the optional units that have been combined will be refunded to you for the units combined.

(c) Enterprise unit—All insurable acreage of the insured crop in the county in which you have a share on the date coverage begins for the crop year. An enterprise unit must consist of:

(1) One or more basic units of the same insured crop that are located in two or more separate sections, section equivalents, or FSA farm serial number; or

(2) Two or more optional units of the same insured crop established by separate sections, section equivalents, or FSA farm serial numbers.

(d) Whole-farm unit—All insurable acreage of the insured crops in the county in which you have a share on the date coverage begins for each crop for the crop year. This unit is established in accordance with section 2(c). The insurable acreage must qualify for at least two enterprise units under this section, and at least 10 percent of the total liability must be in each crop.

(e) Exclusivity Between Units—If you select whole-farm unit coverage, you cannot select any other unit structure. However, you may select an enterprise unit for one crop and basic or optional unit coverage for other crops.

(f) Selection of unit structure—You may elect an enterprise unit or a whole-farm unit subject to the following:

(1) You must make such election by the sales closing date for the insured crops and report such unit structure to us in writing. Your unit selection will remain in effect from year to year unless you notify us in writing by the sales closing date for the crop year for which you wish to change this election. These units may not be further divided. If you select and qualify for an enterprise or whole-farm unit, you will qualify for a premium discount. If you do not qualify for enterprise or whole-farm units when the acreage is reported, we will assign the basic unit structure.

(2) For a whole-farm unit:

(i) You must report on your acreage report the acreage for each optional or basic unit for each crop produced in the county that comprises the whole-farm unit; and

(ii) Although you may insure all of your crops under a whole-farm unit, you will be required to pay separate applicable administrative fees for each crop included in the whole-farm unit.

(3) All applicable unit structures must be stated on the acreage report for each crop year.

3. Life of Policy, Cancellation, and Termination

(a) This is a continuous policy and will remain in effect for each crop year following the acceptance of the original application until canceled by you in accordance with the terms of the policy or terminated by operation of the terms of the policy, or by us.

(b) Your application for insurance must contain all the information required by us to insure the crop. Applications that do not contain all social security numbers and employer identification numbers, as applicable (except as stated herein) coverage level percent, crop, type, variety, or class, plan of insurance, and any other material information required to insure the crop, are not acceptable. If a person with a substantial beneficial interest in the insured crop refuses to provide a social security number or employer identification number, the amount of coverage available under the policy will be reduced proportionately by that person's share of the crop.
(c) After acceptance of the application, you may not cancel this policy for the initial crop year. Thereafter, the policy will continue in force for each succeeding crop year unless canceled or terminated as provided below.

(d) Either you or we may cancel this policy after the initial crop year by providing written notice to the other on or before the cancellation date shown in the Crop Provisions.

(e) If any amount due, including administrative fees or premium, is not paid or an acceptable arrangement for payment is not made on or before the termination date for the crop on which the amount is due, you will be determined to be ineligible to participate in any crop insurance program authorized under the Act in accordance with 7 CFR part 400, subpart U.

(1) For a policy with unpaid administrative fees or premium, the policy will terminate effective on the termination date immediately subsequent to the billing date for the crop year;

(2) For a policy with other amounts due, the policy will terminate effective on the termination date immediately after the account becomes delinquent;

(3) Ineligibility will be effective as of the date that the policy was terminated for the crop for which you failed to pay an amount owed and for all other insured crops with coincidental termination dates;

(4) All other policies that are issued by us under the authority of the Act will also terminate as of the next termination date contained in the applicable policy;

(5) If you are ineligible, you may not obtain any crop insurance under the Act until payment is made, you execute an agreement to repay the debt and make the payments in accordance with the agreement, or you file a petition to have your debts discharged in bankruptcy;

(6) If you execute an agreement to repay the debt and fail to timely make any scheduled payment, you will be ineligible for crop insurance effective on the date the payment was due until the debt is paid in full or you file a petition to discharge the debt in bankruptcy and subsequently obtain discharge of the amounts due. Dismissal of the bankruptcy petition before discharge will void all policies in effect retroactive to the date you were originally determined ineligible to participate and all premiums paid will be refunded;

(7) Since the policy is terminated, the policy cannot be reinstated for the current crop year unless the termination was in error;

(8) After you again become eligible for crop insurance, if you want to obtain coverage for your crops, you must reapply on or before the sales closing date for the crop. (Since applications for crop insurance cannot be accepted after the sales closing date, if you make any payments after the sales closing date, you cannot apply for insurance until the next crop year);

(9) If we deduct the amount due from an indemnity, the date of payment for the purpose of this section will be the date you sign the properly executed claim for indemnity.

(10) For example, if crop A, with a termination date of October 31, 1998, and crop B, with a termination date of March 15, 1999, are insured and you do not pay the premium for crop A by the termination date, you are ineligible for crop insurance as of October 31, 1998, and crop A’s policy is terminated on that date. Crop B’s policy is terminated as of March 15, 1999. If you enter an agreement to repay the debt on April 25, 1999, you can apply for insurance for crop A by the October 31, 1999, sales closing date and crop B by March 15, 2000, sales closing date. If you fail to make a scheduled payment on November 1, 1999, you will be ineligible for crop insurance effective on November 1, 1999, and you will not be eligible unless the debt is paid in full or you file a petition to have the debt discharged in bankruptcy and subsequently receive discharge.

(f) If you die, disappear, or are judicially declared incompetent, or if you are an entity other than an individual and such entity is dissolved, the policy will terminate as of the date of death, judicial declaration, or dissolution. If such event occurs after coverage begins for any crop year, the policy will continue in force through the crop year and terminate at the end of the insurance period and any indemnity will be paid to the person or persons determined to be beneficially entitled to the indemnity. The premium will be deducted from the indemnity or collected from the estate. Death of a partner in a partnership will dissolve the partnership unless the partnership agreement provides otherwise. If two or more persons having a joint interest are insured jointly, death of one of the persons will dissolve the joint entity.

(g) We may terminate your policy if no premium is earned for 3 consecutive years.

(h) The cancellation and termination dates are contained in the Crop Provisions.

(i) When obtaining coverage, you must provide information regarding crop insurance coverage on any crop previously obtained from an approved insurance provider, including the date such insurance was obtained and the amount of the administrative fee.

(j) You are not eligible to participate in the Revenue Assurance program if you have elected the MPCI Catastrophic Risk Protection Endorsement except in the following instance: If you execute a High-Risk Land Exclusion Option for a Revenue Assurance Policy, you may elect to insure the “high-risk land” under an MPCI Catastrophic Risk Protection Endorsement provided that the Catastrophic Risk Protection Endorsement is obtained from us. If both policies are in force, the acreage of the crop covered under the Revenue Assurance policy and the acreage covered under an MPCI Catastrophic Risk Protection Endorsement will be considered as separate crops for insurance purposes, including the payment of administrative fees.

4. Insurance Coverages

(a) Your revenue guarantee, coverage level percent, approved yields, per-acre revenue guarantee, and projected harvest price will be shown on your summary of coverage.

(b) You must select a coverage level percent by the sales closing date. The maximum allowable coverage level percent is 75 (.7500 decimal format) and the minimum allowable is 65 (.6500 decimal format) for basic, optional and enterprise units. The maximum allowable coverage level percent is 80 (.8000 decimal format) for whole-farm units.

(c) You may only select one coverage level percent that is applicable for all insurable acreage of the crop. You may change your coverage level percent for the following crop year by giving written notice to us not later than the sales closing date for the insured crop. If you do not select a new crop coverage level percent on or before the sales closing date, we will assign the previous year’s coverage level percent or the nearest coverage level percent available (For example: If you selected a 65 percent coverage level for the previous crop year and you do not select a new coverage level percent for the current crop year, we will assign the 65 percent coverage level for the current crop year if it is still available.)

(d) This policy is an alternative to the MPCI program and satisfies the requirements of section 508(b)(7) of the Act.

(e) You must report production to us for the previous crop year by the earlier of the acreage reporting date or 45 days after the cancellation date unless
otherwise stated in the Special Provisions:

1. If you do not provide the required production report, we will assign a yield for the previous crop year. The yield assigned by us will not be more than 75 percent of the yield used by us to determine your coverage for the previous crop year. The production report or assigned yield will be used to compute your approved yield for the purpose of determining your revenue guarantee for the current crop year;

2. If you are prevented from planting during the late planting period, the acreage reporting date will be the later of: (A) The acreage reporting date contained in the Special Provisions for the planting period; and (B) The date determined in accordance with sections 7(a)(1) and (2); or (C) Five days after the end of the late planting period for the insured crop, if applicable.

3. Any person may sign any document relative to crop insurance coverage on behalf of any other person covered by such a policy, provided that the person has a properly executed power of attorney or such other legally sufficient document authorizing such person to sign.

5. Contract Changes

(a) We may change the terms of your coverage under this policy from year to year.

(b) Any changes in policy provisions, prices, available coverage level percents, premium rates and program dates will be provided by us to your crop insurance agent not later than the contract change date contained in the Crop Provisions. You may view the documents or request copies from your crop insurance agent.

(c) You will be notified, in writing, of any changes in policy provisions, Crop Provisions, or Special Provisions not later than 30 days prior to the cancelation date for the insured crop. Acceptance of changes will be conclusively presumed in the absence of notice from you to change or cancel your insurance coverage.

6. Liberalization

If we adopt any revisions that broaden the coverage under this policy subsequent to the contract change date without additional premium, the broadened coverage will apply.

7. Report of Acreage

(a) An annual acreage report must be submitted to us on our form for each insured crop in the county on or before the acreage reporting date contained in the Special Provisions, except as follows:

1. If you insure multiple crops with us that have final planting dates on or after August 15 but before December 31, you must submit an acreage report for all such crops on or before the latest applicable acreage reporting date for such crops; and

2. If you insure multiple crops with us that have final planting dates on or before December 31 but before August 15, you must submit an acreage report for all such crops on or before the latest applicable acreage reporting date for such crops.

(b) Your acreage report must include the following information, if applicable:

(1) A lower liability than the actual liability determined, the revenue guarantee on the unit will be reduced to an amount that is consistent with the reported information. In the event that insurable acreage is under-reported for any unit, all production or value from insurable acreage in that unit will be considered production or value to count in determining the indemnity; and

(2) A higher liability than the actual liability determined, the information contained in the acreage report will be revised to be consistent with the correct information. If we discover that you have incorrectly reported any information on the acreage report for any crop year, you may be required to provide documentation in subsequent crop years that substantiates your report of acreage for those crop years, including, but not limited to, an acreage measurement service at your own expense.

8. Annual Premium and Administrative Fees

(a) The annual premium is earned and payable at the time coverage begins. You will be billed for premiums due not earlier than the premium billing date specified in the Special Provisions. The
premium due, plus any accrued interest, will be considered delinquent if it is not paid on or before the termination date specified in the Crop Provisions.

(b) Any amount you owe us related to any crop insured with us under the authority of the Act will be deducted from any prevented planting payment or indemnity due you for any crop insured with us under the authority of the Act.

(c) Your annual premium amount is determined by unit by multiplying the crop premium per acre, times the insured crop acreage, times any premium adjustment factor that may apply, times your respective share at the time coverage begins, and less producer premium subsidy.

(d) The producer premium subsidy for a unit equals the crop premium per acre at the 65 percent coverage level, times the insured crop acreage, times 0.417, times your respective share. The producer premium subsidy cannot exceed that available had you purchased a comparable MPCI policy.

(e) In addition to the premium charged:

(1) You must pay an administrative fee of $20 per crop for each crop year in which crop insurance coverage remains in effect;

(2) The administrative fee must be paid no later than the time that premium is due; and

(3) Payment of an administrative fee will not be required if you file a bona fide zero acreage report on or before the acreage reporting date for the crop. If you falsely file a zero acreage report, you may be subject to criminal and administrative sanctions.

(4) The administrative fee is not subject to any limits, and may not be waived.

(5) Failure to pay the administrative fees when due may make you ineligible for certain other USDA benefits.

9. Insured Crop

(a) The insured crop will be that shown on your accepted application and as specified in the Crop Provisions or Special Provisions and must be grown on insurable acreage.

(b) A crop which will NOT be insured will include, but will not be limited to, any crop:

(1) If the farming practices carried out are not in accordance with the farming practices for which the premium rates or revenue guarantees have been established;

(2) Of a type, class or variety established as not adapted to the area or excluded by the policy provisions;

(3) That is a volunteer crop;

(4) That is a second crop following the same crop (insured or not insured) harvested in the same crop year unless specifically permitted by the Crop Provisions or the Special Provisions;

(5) That is planted for the development or production of hybrid seed or for experimental purposes, unless permitted by the Crop Provisions; or

(6) That is used solely for wildlife protection or management. If the lease states that specific acreage must remain unharvested, only that acreage is insurable. If the lease specifies that a percentage of the crop must be left unharvested, your share will be reduced by such percentage.

10. Insurable Acreage

(a) Acreage planted to the insured crop in which you have a share is insurable except acreage:

(1) That has not been planted and harvested within one of the 3 previous crop years, unless:

(i) Such acreage was not planted:

(A) To comply with any other USDA program;

(B) Because of crop rotation, e.g., corn, soybean, alfalfa; and the alfalfa remained for 4 years before the acreage was planted to corn again;

(C) Due to an insurable cause of loss that prevented planting;

(D) Because a perennial tree, vine, or bush crop was grown on the acreage.

(ii) Such acreage was planted but was not harvested due to an insurable cause of loss; or

(iii) The Crop Provisions specifically allow insurance for such acreage.

(2) That has been strip-mined, unless an agricultural commodity other than a cover, hay, or forage crop (except corn silage), has been harvested from the acreage for at least five crop years after the strip-mined land was reclaimed;

(3) On which the insured crop is damaged and it is practical to replant the insured crop, but the insured crop is not replanted;

(4) That is interplanted, unless allowed by the Crop Provisions;

(5) That is otherwise restricted by the Crop Provisions or Special Provisions; or

(6) That is planted in any manner other than as specified in the policy provisions for the crop.

(b) If insurance is provided for an irrigated practice, you must report as irrigated only that acreage for which you have adequate facilities, and adequate water, or the reasonable expectation of receiving adequate water at the time coverage begins, to carry out a good irrigation practice. If you knew or had reason to know that your water may be reduced before coverage begins, no reasonable expectation exists.

(c) Notwithstanding the provisions in section 9(b)(1), if acreage is irrigated and we do not provide a premium rate for an irrigated practice, you may either report and insure the irrigated acreage as “non-irrigated,” or report the irrigated acreage as not insured.

(d) We may restrict the amount of acreage that we will insure to the amount allowed under any acreage limitation program established by the USDA if we notify you of that restriction prior to the sales closing date.

11. Share Insured

(a) Insurance will attach only to the share of the person completing the application and will not extend to any other person having a share in the crop unless the application clearly states that:

(1) The insurance is requested for an entity such as a partnership or a joint venture; or

(2) You as landlord will insure your tenant’s share, or you as tenant will insure your landlord’s share. In this event, you must provide evidence of the other party’s approval (lease, power of attorney, etc.). Such evidence will be retained by us. You also must clearly set forth the percentage shares of each person on the acreage report.

(b) We may consider any acreage or interest reported by or for your spouse, child or any member of your household to be included in your share.

(c) Acreage rented for a percentage of the crop, or a lease containing provisions for BOTH a minimum payment (such as a specified amount of cash, bushels, pounds, etc.) AND a crop share, will be considered a crop share lease.

(d) Acreage rented for cash, or a lease containing provisions for EITHER a minimum payment OR a crop share (such as a 50/50 share or $100.00 per acre, whichever is greater), will be considered a cash lease.

12. Insurance Period

(a) Except for prevented planting coverage (see section 18), coverage begins on each unit or part of a unit at the later of:

(1) The date we accept your application (For the purposes of this paragraph, the date of acceptance is the date that you submit a properly paragraph, the date of acceptance is the

(2) You as landlord will insure your tenant’s share, or you as tenant will insure your landlord’s share. In this event, you must provide evidence of the other party’s approval (lease, power of attorney, etc.). Such evidence will be retained by us. You also must clearly set forth the percentage shares of each person on the acreage report.

(b) We may consider any acreage or interest reported by or for your spouse, child or any member of your household to be included in your share.

(c) Acreage rented for a percentage of the crop, or a lease containing provisions for BOTH a minimum payment (such as a specified amount of cash, bushels, pounds, etc.) AND a crop share, will be considered a crop share lease.

(d) Acreage rented for cash, or a lease containing provisions for EITHER a minimum payment OR a crop share (such as a 50/50 share or $100.00 per acre, whichever is greater), will be considered a cash lease.

12. Insurance Period

(a) Except for prevented planting coverage (see section 18), coverage begins on each unit or part of a unit at the later of:

(1) The date we accept your application (For the purposes of this paragraph, the date of acceptance is the date that you submit a properly executed application in accordance with section 3);

(2) The date the insured crop is planted; or

(3) The calendar date contained in the Crop Provisions for the beginning of the insurance period.

(b) Coverage ends at the earliest of:

(1) Total destruction of the insured crop on the unit;

(2) We may restrict the amount of acreage that we will insure to the amount allowed under any acreage limitation program established by the USDA if we notify you of that restriction prior to the sales closing date.

11. Share Insured

(a) Insurance will attach only to the share of the person completing the application and will not extend to any other person having a share in the crop unless the application clearly states that:

(1) The insurance is requested for an entity such as a partnership or a joint venture; or

(2) You as landlord will insure your tenant’s share, or you as tenant will insure your landlord’s share. In this event, you must provide evidence of the other party’s approval (lease, power of attorney, etc.). Such evidence will be retained by us. You also must clearly set forth the percentage shares of each person on the acreage report.

(b) We may consider any acreage or interest reported by or for your spouse, child or any member of your household to be included in your share.

(c) Acreage rented for a percentage of the crop, or a lease containing provisions for BOTH a minimum payment (such as a specified amount of cash, bushels, pounds, etc.) AND a crop share, will be considered a crop share lease.

(d) Acreage rented for cash, or a lease containing provisions for EITHER a minimum payment OR a crop share (such as a 50/50 share or $100.00 per acre, whichever is greater), will be considered a cash lease.
(2) Harvest of the unit;
(3) Final adjustment of a loss on a unit;
(4) The calendar date contained in the Crop Provisions for the end of the insurance period;
(5) A abandonment of the crop on the unit; or
(6) As otherwise specified in the Crop Provisions.

13. Causes of Loss

The insurance provided is against only unavoidable loss of revenue directly caused by specific causes of loss contained in the Crop Provisions. All other causes of loss, including but not limited to the following, are NOT covered:
(a) Negligence, mismanagement, or wrongdoing by you, any member of your family or household, your tenants, or employees;
(b) Failure to follow recognized good farming practices for the insured crop;
(c) Water contained by any governmental, public, or private dam or reservoir project;
(d) Failure or breakdown of irrigation equipment or facilities; or
(e) Failure to carry out a good irrigation practice for the insured crop if applicable.

14. Replanting Payment

(a) If allowed by the Crop Provisions, a replanting payment may be made on an insured crop replanted after we have given consent and the acreage replanted is at least the lesser of 20 acres or 20 percent of the insured planted acreage for the unit (as determined on the final planting date or within the late planting period if a late planting period is applicable). The 20 acres or 20 percent requirement is to be applied for each crop in a whole field unit.
(b) No replanting payment will be made on acreage:
(1) On which our appraisal establishes that production will exceed the level set by the Crop Provisions;
(2) Initially planted prior to the earliest planting date established by the Special Provisions; or
(3) On which one replanting payment has already been allowed for the crop year.
(c) The replanting payment per acre will be your actual cost for replanting, but will not exceed the amount determined in accordance with the Crop Provisions.
(d) No replanting payment will be paid if we determine it is not practical to replant.

15. Duties In The Event of Damage or Loss

Your Duties:

(a) In case of damage to any insured crop you must:
(1) Protect the crop from further damage by providing sufficient care;
(2) Give us notice within 72 hours of your initial discovery of damage (but not later than 15 days after the end of the insurance period), by unit, for each insured crop (we may accept a notice of loss provided later than 72 hours after your initial discovery if we still have the ability to accurately adjust the loss);
(3) Leave representative samples intact for each field of the damaged unit as may be required by the Crop Provisions;
(4) Give us notice of your expected revenue loss not later than 45 days after the date the fall harvest price is released; and
(5) Cooperate with us in the investigation or settlement of the claim, and, as often as we reasonably require:
(i) Show us the damaged crop;
(ii) Allow us to remove samples of the insured crop; and
(iii) Provide us with records and documents we request and permit us to make copies.
(b) You must obtain consent from us before, and notify us after you:
(1) Destroy any of the insured crop that is not harvested;
(2) Put the insured crop to an alternative use;
(3) Put the acreage to another use; or
(4) Abandon any portion of the insured crop. We will not give consent for any of the actions in sections 15(b) (1) through (4) if it is practical to replant the crop or until we have made an appraisal of the potential production of the crop.
(c) In addition to complying with all other notice requirements, you must submit a claim for indemnity declaring:
(d) Upon our request, you must:
(1) Provide a complete harvesting and marketing record of each insured crop by unit including separate records showing the same information for production from any acreage not insured; and
(2) Submit to examination under oath. (e) You must establish the total production or value received for the insured crop on the unit, that any loss of production or value occurred during the insurance period, and that the loss of production or value was directly caused by one or more of the insured causes specified in the Crop Provisions.
(f) All notices required in this section that must be received by us within 72 hours may be made by telephone or in person to your crop insurance agent but must be confirmed in writing within 15 days.

Our Duties—
(a) If you have complied with all the policy provisions, we will pay your loss within 30 days after:
(1) We reach agreement with you;
(2) Completion of arbitration or appeal proceedings; or
(3) The entry of a final judgment by a court of competent jurisdiction.
(b) In the event we are unable to pay your loss within 30 days, we will give you notice of our intentions within the 30-day period.
(c) We may defer the adjustment of a loss until the amount of loss can be accurately determined. We will not pay for additional damage resulting from your failure to provide sufficient care for the crop during the data period.
(d) We recognize and apply the loss adjustment procedures established or approved by FCIC.

16. Production Included in Determining Indemnities

(a) The total production to be counted for a unit will include all production determined in accordance with the policy.
(b) The amount of production of any unharvested insured crop may be determined on the basis of our field appraisals conducted after the end of the insurance period.
(c) The amount of an indemnity that may be determined under the applicable provisions of your crop policy may be reduced by an amount, determined in accordance with the Crop Provisions or Special Provisions, to reflect out-of-pocket expenses that were not incurred by you as a result of not planting, caring for, or harvesting the crop. Indemnities paid for acreage prevented from being planted will be based on a reduced revenue guarantee as provided for in the crop policy and will not be further reduced to reflect expenses not incurred.
(d) Appraised production will be used to calculate your claim if you will not be harvesting the acreage. To determine your indemnity based on appraised production, you must agree to notify us if you harvest the crop and advise us of the production. If the acreage will be harvested, you may be used to determine any indemnity due, unless otherwise specified in the policy.

17. Late Planting

Unless limited by the Crop Provisions, insurance will be provided for acreage planted to the insured crop after the final planting date in accordance with the following:
18. Prevented Planting

(a) Unless limited by the policy provisions, a prevented planting payment may be made to you for eligible acreage if:

(1) You were prevented from planting the insured crop by an insured cause that occurs:

(i) On or after the sales closing date contained in the Special Provisions for the crop year the application for insurance is accepted; or

(ii) For any subsequent crop year, on or after the sales closing date for the previous crop year for the insured crop in the county, provided insurance has been in force continuously since that date. Cancellation for the purpose of transferring the policy to a different insurance provider for the subsequent crop year will not be considered a break in continuity for the purpose of the preceding sentence;

(2) You include any acreage of the insured crop that was prevented from being planted on your acreage report; and

(3) You did not plant the insured crop during or after the late planting period. If such acreage was planted to the insured crop during or after the late planting period, it is covered under the late planting provisions.

(b) The actuarial documents may contain additional levels of prevented planting coverage that you may purchase for the insured crop:

(1) Such purchase must be made on or before the sales closing date;

(2) If you do not purchase one of those additional levels by the sales closing date, you will receive the prevented planting coverage specified in the Crop Provisions;

(3) If you have an MPCI Catastrophic Risk Protection Endorsement for any acreage of “high risk land” the additional levels of prevented planting coverage will not be available for that acreage; and

(4) You may not increase your elected or assigned prevented planting coverage level for any crop year if a cause of loss that will or could prevent planting is evident prior to the time you wish to change your prevented planting coverage level.

(c) The premium amount for acreage that is prevented from being planted will be the same as that for timely planted acreage. If the amount of premium you are required to pay (gross premium less our subsidy) for acreage that is prevented from being planted exceeds the liability on such acreage, coverage for those acres will not be provided (no premium will be due and no indemnity will be paid for such acreage).

(d) Drought or failure of the irrigation water supply will be considered to be an insurable cause of loss for the purposes of prevented planting only if, on the final planting date (or within the late planting period if you elect to try to plant the crop):

(1) For non-irrigated acreage, the area that is prevented from being planted has insufficient soil moisture for germination of seed and progress toward crop maturity due to a prolonged period of dry weather. Prolonged precipitation deficiencies must be verifiable using information collected by sources whose business it is to record and study the weather, including, but not limited to, local weather reporting stations of the National Weather Service; or

(2) For irrigated acreage, there is not a reasonable probability of having adequate water to carry out an irrigated practice.

(e) The maximum number of acres that may be eligible for a prevented planting payment for any crop will be determined as follows:

(1) The total number of acres eligible for prevented planting coverage for all crops cannot exceed the number of acres of cropland in your farming operation for the crop year, unless you are eligible for prevented planting coverage on double-cropped acreage in accordance with section 18(f)(4) or (5). The eligible acres for each insured crop will be determined in accordance with the following table.
Type of crop | Eligible acres if, in any of the 4 most recent crop years, you have planted any crop in the county for which prevented planting insurance was available or have received a prevented planting insurance guarantee |
---|---|
(i) The crop is not required to be contracted with a processor to be insured. | (A) The maximum number of acres certified for APH purposes or reported for insurance for the crop in any one of the 4 most recent crop years (not including reported prevented planting acreage that was planted to a substitute crop other than an approved cover crop). The number of acres determined above for a crop may be increased by multiplying it by the ratio of the total cropland acres that you farmed in the previous year, provided that you submit proof to us that for the current crop year you have purchased or leased additional land or that acreage will be released from any USDA program which prohibits harvest of a crop. Such acreage must have been purchased, leased, or released from the USDA program, in time to plant it for the current crop year using good farming practices. No cause of loss that will or could prevent planting may be evident at the time the acreage is purchased, leased, or released from the USDA program. |
(ii) The crop must be contracted with a processor to be insured. | (A) The number of acres of the crop specified in the processor contract, if the contract specifies a number of acres contracted for the crop year; or the result of dividing the quantity of production stated in the processor contract by your approved yield, if the processor contract specifies a quantity of production that will be accepted. (For the purposes of establishing the number of prevented planting acres, any reductions applied to the transitional yield for failure to certify acreage and production for four prior years will not be used.). |

(2) Any eligible acreage determined in accordance with the table contained in section 18(e)(1) will be reduced by subtracting the number of acres of the crop insured and uninsured that are timely and late planted, including acreage specified in section 17(b).

(f) Regardless of the number of eligible acres determined in section 18(e), prevented planting coverage will not be provided for any acreage:

(1) That does not constitute at least 20 acres or 20 percent of the insurable crop acreage in the unit, whichever is less. Any prevented planting acreage within a field that contains planted acreage will be considered to be acreage of the same crop, type, and practice that is planted in the field, unless the acreage that was prevented from being planted constitutes at least 20 acres or 20 percent of the total insurable acreage in the field and you produced both crops, crop types, or followed both practices in the same field in the same crop year within any of the 4 most recent crop years;

(2) For which the actuarial documents do not designate a premium rate;

(3) Used for conservation purposes or intended to be left unplanted under any program administered by the USDA;

(4) On which the insured crop is prevented from being planted, if you or any other person receives a prevented planting payment for any crop for the same acreage in the same crop year (excluding share arrangements), unless you have coverage greater than the Catastrophic Risk Protection Plan of Insurance and have records of acreage and production that are used to determine your approved yield that show the acreage was double-cropped in each of the last 4 years in which the insured crop was grown on the acreage;

(5) On which the insured crop is prevented from being planted, if any crop from which any benefit is derived under any program administered by the USDA is planted and fails, or if any crop is harvested, hayed or grazed on the same acreage in the same crop year (other than a cover crop which may be hayed or grazed after the final planting date for the insured crop), unless you have coverage greater than that applicable to the Catastrophic Risk Protection Plan of Insurance and have records of acreage and production that are used to determine your approved yield that show the acreage was double-cropped in each of the last 4 years in which the insured crop was grown on the acreage (if one of the crops being double-cropped is not insurable, other verifiable records of it being planted may be used);

(6) Of a crop that is prevented from being planted if a cash lease payment is also received for use of the same acreage in the same crop year (not applicable if acreage is leased for haying or grazing only) (If you state that you will not be cash renting the acreage and claim a prevented planting payment on the acreage, you could be subject to civil and criminal sanctions if you cash rent the acreage and do not return the prevented planting payment for it);

(7) For which planting history or conservation plans indicate that the acreage would have remained fallow for crop rotation purposes;

(8) That exceeds the number of acres eligible for a prevented planting payment;

(9) That exceeds the number of eligible acres physically available for planting;

(10) For which you cannot provide proof that you had the inputs available to plant and produce a crop with the expectation of at least producing the yield used to determine the per-acre revenue guarantee (Evidence that you have previously planted the crop on the unit will be considered adequate proof unless your planting practices or rotational requirements show that the acreage would have remained fallow or been planted to another crop);

(11) Based on an irrigated practice per-acre revenue guarantee unless adequate irrigation facilities were in place to carry out an irrigated practice on the acreage prior to the insured cause of loss that prevented you from planting. Acreage with an irrigated practice per-acre revenue guarantee will be limited to the number of acres allowed for that practice under sections 18(e) and (f); or

(12) Based on a crop type that you did not plant, or did not receive a prevented planting insurance guarantee for, in at least one of the four most recent crop years;

(B) The number of acres specified on your intended acreage report which is submitted to us by the sales closing date for all crops you insure for the crop year and that is accepted by us. The total number of acres listed may not exceed the number of acres of cropland in your farming operation at the time you submit the intended acreage report. The number of acres determined above for a crop may only be increased by multiplying it by the ratio of the total cropland acres that you are farming this year (if greater) to the number of acres listed on your intended acreage report, if you meet the conditions stated in section 18(e)(1)(i)(A).
years. Types for which separate prices or per-acre revenue guarantees are available must be included in your APH database in at least one of the four most recent crop years, or crops that do not require yield certification (crops for which the insurance guarantee is not based on APH) must be reported on your acreage report in at least one of the four most recent crop years except as allowed in section 18(e)(1)(i)(B). We will limit prevented planting payments based on a specific crop type to the number of acres allowed for that crop type as specified in sections 18(e) and (f).

(g) If you purchased a Revenue Assurance policy for a crop, and you executed a High Risk Land Exclusion Option that separately insures acreage which has been designated as “high-risk” land by FCIC under a Catastrophic Risk Protection Endorsement for that crop, the maximum number of acres eligible for a prevented planting payment will be limited for each policy as specified in sections 18(e) and (f).

(h) If you are prevented from planting a crop for which you do not have an adequate base of eligible prevented planting acreage, as determined in accordance with section 18(e)(1), your prevented planting per-acre revenue guarantee, premium, and prevented planting payment will be based on the crops insured for the current crop year, for which you have remaining eligible prevented planting acreage. The crops used for this purpose will be those that result in a prevented planting payment most similar to the prevented planting payment that would have been made for the crop that was prevented from being planted.

(1) For example, assume you were prevented from planting 200 acres of corn and have 100 acres eligible for a corn prevented planting guarantee that would result in a payment of $40 per acre. You also had 50 acres of potato eligibility that would result in a $100 per acre payment; 90 acres of grain sorghum eligibility that would result in a $30 per acre payment; and 100 acres of soybean eligibility that would result in a $25 per acre payment. Your prevented planting coverage for the 200 acres would be based on 100 acres of corn ($40 per acre), 90 acres of grain sorghum ($30 per acre), and 10 acres of soybeans ($25 per acre).

(2) Prevented planting coverage will be allowed as specified in this section (18(h)) only if the crop that was prevented from being planted meets all policy provisions, except for having an adequate base of eligible prevented planting acreage. Payment may be made based on crops other than those that were prevented from being planted even though other policy provisions, including but not limited to, processor contract and rotation requirements, have not been met for the crop on which payment is being based.

(i) The prevented planting payment for any eligible acreage within a basic or optional unit will be determined by:

(1) Multiplying the per-acre revenue guarantee for timely planted acreage of the insured crop by the prevented planting coverage level percentage you elected, or that is contained in the Crop Provisions if you did not elect a prevented planting coverage level percentage;

(2) Multiplying the result of section 18(i)(1) by the number of eligible prevented planting acres in the unit; and

(3) Multiplying the result of section 18(i)(2) by your share.

(k) The prevented planting payment for any eligible acreage within a whole-farm unit will be determined by:

(1) Multiplying the per-acre revenue guarantee within the enterprise unit, for timely planted acreage of the insured crop by the prevented planting coverage level percentage you elected, or that is contained in the Crop Provisions if you did not elect a prevented planting coverage level percentage;

(2) Multiplying the result of section 18(i)(1) by the number of eligible prevented planting acres in the enterprise unit;

(3) Multiplying the result of section 18(i)(2) by your share; and

(4) Totaling the results from section 18(i)(3).

19. Crops as Payment

You must not abandon any crop to us. We will not accept any crop as compensation for payments due us.

20. Arbitration

(a) If you and we fail to agree on any factual determination, the disagreement will be resolved in accordance with the rules of the American Arbitration Association. Failure to agree with any factual determination made by FCIC must be resolved through the FCIC appeal provisions published at 7 CFR part 11.

(b) No award determined by arbitration or appeal can exceed the amount of liability established or which should have been established under the policy.

21. Access To Insured Crop and Records, and Record Retention

(a) We reserve the right to examine the insured crop as often as we reasonably require.

(b) For three years after the end of the crop year, you must retain, and provide upon our request, complete records of the harvesting, storage, shipment, sale, or other disposition of all the insured crop produced on each unit. This requirement also applies to the records used to establish the basis for the production report for each unit. You must also provide upon our request, separate records showing the same information for production from any acreage not insured. We may extend the record retention period beyond three years by notifying you of such extension in writing. Your failure to keep and maintain such records will, at our option, result in:

(1) Cancellation of the policy; or

(2) Assignment of production to the units by us; or

(3) Combination of the optional units; or

(4) A determination that no indemnity is due.

(c) Any person designated by us will, at any time during the record retention period, have access:

(1) To any records relating to this insurance at any location where such records may be found or maintained; or

(2) To the farm.

(d) By applying for insurance under the authority of the Act or by continuing insurance for which you previously applied, you authorize us, or any person acting for us, to obtain records relating to the insured crop from any person who may have custody of those records including, but not limited to, FSA offices, banks, warehouses, gins, cooperatives, marketing associations, and accountants. You must assist us in obtaining all records which we request from third parties.

(e) This policy will be considered a complete integration of any prior crop insurance policy issued under the authority of the Act for actual production history.
purposes under 7 CFR part 400, subpart G.

22. Other Insurance

(a) Other Like Insurance—You must not obtain any other crop insurance issued under the authority of the Act, on your share of the insured crop. If we determine that more than one policy on your share is intentional, you may be subject to the sanctions authorized under this policy, the Act, or any other applicable statute. If we determine that the violation was not intentional, the policy with the earliest date of application will in force and all other policies will be void. Nothing in this paragraph prevents you from obtaining other insurance not issued under the Act.

(b) Other Insurance Against Fire—if you have other insurance, whether valid or not, against damage to the insured crop by fire during the insurance period, we will be liable for loss due to fire only for the smaller of:

(1) The amount of indemnity determined pursuant to this policy without regard to such other insurance; or

(2) The amount by which the loss from fire is determined to exceed the indemnity paid or payable under such other insurance.

(c) For the purpose of section 22(b), the amount of loss from fire will be the reduction in revenue of the insured crop on the unit involved determined pursuant to this policy.

23. Conformity To Food Security Act

Although your violation of a number of federal statutes, including the Act, may cause cancellation, termination, or voidance of your insurance contract, you should be specifically aware that your policy will be canceled if you are determined to be ineligible to receive benefits under the Act due to violation of the controlled substance provisions (title XVII) of the Food Security Act of 1985 (Pub. L. 99-198) and the regulations promulgated under the Act by USDA. Your insurance policy will be canceled if you are determined, by the appropriate Agency, to be in violation of these provisions. We will recover any and all monies paid to you or received by you during your period of ineligibility, and your premium will be refunded, less a reasonable amount for expenses and handling not to exceed 20 percent of the premium paid or to be paid by you.

24. Amounts Due Us

(a) Interest will accrue at the rate of 1.25 percent simple interest per calendar month, or any portion thereof, on any unpaid amount due us. For the purpose of premium amounts due us, the interest will start to accrue on the first day of the month following the premium billing date specified in the Special Provisions.

(b) For the purpose of any other amounts due us, such as repayment of indemnities found not to have been earned, interest will start to accrue on the date that notice is issued to you for the collection of the unearned amount. Amounts due under this paragraph will not be charged interest if payment is made within 30 days of issuance of the notice by us. The amount will be considered delinquent if not paid within 30 days of the date the notice is issued by us.

(c) All amounts paid will be applied first to expenses of collection (see section 24(d)) if any, second, to the reduction of accrued interest, and then to the reduction of the principal balance.

(d) If we determine that it is necessary to contract with a collection agency or to employ an attorney to assist in collection, you agree to pay all of the expenses of collection.

(e) Amounts owed to us by you may be collected in part through administrative offset from payments you receive from United States government agencies in accordance with 31 U.S.C. chapter 37.

25. Legal Action Against Us

(a) You may not bring legal action against us unless you have complied with all of the policy provisions.

(b) If you do take legal action against us, you must do so within 12 months of the date of denial of the claim. Suit must be brought in accordance with the provisions of 7 U.S.C. 1508(j).

(c) Your right to recover damages (compensatory, punitive, or other), attorney's fees, or other charges is limited or excluded by this contract or by Federal Regulations.

26. Payment and Interest Limitations

(a) Under no circumstances will we be liable for the payment of damages (compensatory, punitive, or other), attorney's fees, or other charges in connection with any claim for indemnity, whether we approve or disapprove such claim.

(b) We will pay simple interest computed on the net indemnity ultimately found to be due by us or by a final judgment of a court of competent jurisdiction, from and including the 61st day after the date you sign, date, and submit to us the properly completed claim on our form. Interest will be paid only if the reason for our failure to timely pay is NOT due to your failure to provide information or other material necessary for the computation or payment of the indemnity. The interest rate will be that established by the Secretary of the Treasury under section 12 of the Contract Disputes Act of 1978 (41 U.S.C. 611) and published in the Federal Register semiannually on or about January 1 and July 1 of each year, and may vary with each publication.

27. Concealment, Misrepresentation or Fraud

(a) If you have falsely or fraudulently concealed the fact that you are ineligible to receive benefits under the Act or if you or anyone assisting you has intentionally concealed or misrepresented any material fact relating to this policy:

(1) This policy will be voided; and

(2) You may be subject to remedial sanctions in accordance with 7 CFR part 400, subpart R.

(b) Even though the policy is void, you may still be required to pay the greater of 20 percent of the premium due under the policy to offset costs incurred by us in the service of this policy. If previously paid, the balance of the premium will be returned.

(c) Voidance of this policy will result in you having to reimburse all indemnities paid for the crop year in which the voidance was effective.

(d) Voidance will be effective on the first day of the insurance period for the crop year in which the act occurred and will not affect the policy for subsequent crop years unless a violation of this section also occurred in such crop years.

28. Transfer of Coverage and Right to Indemnity

If you transfer any part of your share during the crop year, you may transfer your coverage rights, if the transferee is eligible for crop insurance. We will not be liable for any more than the liability determined in accordance with your policy that existed before the transfer occurred. The transfer of coverage rights must be on our form and will not be effective until approved by us in writing. Both you and the transferee are jointly and severally liable for the payment of the premium and administrative fees. The transferee has all rights and responsibilities under this policy consistent with the transferee's interest.

29. Assignment of Indemnity

You may assign to another party your right to an indemnity for the crop year. The assignee must be on our form and will not be effective until approved in writing by us. The assignee will have
the right to submit all loss notices and forms as required by the policy. If you have suffered a loss from an insurable cause and fail to file a claim for indemnity within 60 days after the end of the insurance period, the assignee may submit the claim for indemnity not later than 15 days after the 60-day period has expired. We will honor the terms of the assignment only if we can accurately determine the amount of the claim. However, no action will lie against us for failure to do so.

30. Subrogation (Recovery of Loss From a Third Party)

Since you may be able to recover all or a part of your loss from someone other than us, you must do all you can to preserve this right. If we pay you for your loss, your right to recovery will, at our option, belong to us. If we recover more than we paid you plus our expenses, the excess will be paid to you.

31. Descriptive Heads

The descriptive heads of the various policy provisions are formulated for convenience only and are not intended to affect the construction or meaning of any of the policy provisions.

32. Notices

(a) All notices required to be given by you must be in writing and received by your crop insurance agent within the designated time unless otherwise provided by the notice requirement. Notices required to be given immediately may be by telephone or in person and confirmed in writing. Time of the notice will be determined by the time of our receipt of the written notice. If the date by which you are required to submit a report or notice falls on Saturday, Sunday, or a Federal holiday, or if your agent's office is, for any reason, not open for business on the date you are required to submit such notice or report, such notice or report must be submitted on the next business day.

(b) All notices and communications required to be sent by us to you will be mailed to the address contained in your records located with your crop insurance agent. Notice sent to such address will be conclusively presumed to have been received by you. You should advise us immediately of any change of address.

33. Multiple Benefits

(a) If you are eligible to receive an indemnity under an additional coverage plan of insurance and are also eligible to receive benefits for the same loss under any other USDA program, you may receive benefits under both programs, unless specifically limited by the crop insurance contract or by law.

(b) The total amount received from all such sources may not exceed the amount of your actual loss. The total amount of the actual loss is the difference between the fair market value of the insured commodity before and after the loss, based on your production records and the highest price election or amount of insurance available for the crop.

(c) FSA will determine and pay the additional amount due you for any applicable USDA program, after first considering the amount of any crop insurance indemnity.

(d) Farm ownership and operating loans may be obtained from USDA in addition to any crop insurance indemnities.

Revenue Assurance

Wheat Crop Provisions

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 with (1) controlling (2), etc.

1. Definitions

Fall harvest price. The price used to value production to count. The fall harvest price is the simple average of the final daily settlement prices in August for the MGE September wheat futures contract. These prices will be released September 5.

Fall harvest price option. A coverage option that allows you to use the greater of the projected harvest price or the fall harvest price to determine your per acre revenue guarantee. For basic, optional, and enterprise units, this option applies to all insurable acres of a crop in the county. For the whole-farm unit, this option will apply to all insurable acres of the applicable crops in the county. This option must be selected by the sales closing date and is continuous unless canceled by the wheat sales closing date.

Harvest. Combining or threshing the insured crop for grain. A crop which is swathed prior to combining is not considered harvested.

Local market price. The cash grain price per bushel for the U.S. No. 2 grade of the insured crop offered by buyers in the area in which you normally market the insured crop. The local market price will reflect the maximum limits of quality deficiencies allowable for the U.S. No. 2 grade of the insured crop. Factors not associated with grading under the Official United States Standards for Grain, including but not limited to protein, oil or moisture content, or milling quality will not be considered.

MGE. Minneapolis Grain Exchange.

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.

Projected harvest price. The price used to determine the expected per-acre revenue. The projected harvest price is the simple average of the final daily settlement prices in February for the MGE September wheat futures contract. The wheat projected harvest price will be released by March 5 of the current crop year.

Swathed. Severance of the stem and grain head from the ground without removal of the seed from the head and placing into a windrow.

2. Contract Changes

In accordance with section 5 of the Basic Provisions, the contract change date is November 30 preceding the cancellation date.

3. Cancellation and Termination Dates

In accordance with section 3 of the Basic Provisions, the cancellation and termination dates are March 15.

4. Annual Premium

Your per-acre premium on a unit is determined using the premium calculator. Your per-acre premiums will differ by crop and unit structure.

(a) Basic unit: The annual premium for a basic unit equals the per-acre premium, times the number of insured acres in the unit, times your share.

(b) Optional unit: The annual premium for an optional unit equals the per-acre premium, times an optional unit surcharge factor, times the number of insured acres in the optional unit, times your share. The optional unit surcharge factor is 1.30.

(c) Enterprise unit: The per-acre premium decreases as the number of legally defined sections on which you have insured acreage increases up to a maximum of 10 sections. The annual premium for an enterprise unit equals the per-acre premium, times the number of insured acres in the unit, times your share.

(d) Whole-farm unit: The annual premium for a whole-farm unit equals the per-acre premium, times the number of insured acres in the unit, times your share. The insured per-acre premium
decreases as the number of legally
defined sections on which you have
insured acreage increases up to a
maximum of 10 sections. The per-acre
premium also depends on the
proportions of insured corn acres on the
unit. For example, if the unit contains
corn, soybeans, and wheat, the per-acre
premium will depend on the ratio of
corn to soybean insured acres, the ratio
of corn to wheat insured acres, and the
ratio of soybean to wheat insured acres.

5. Insured Crop

In accordance with section 9 of the
Basic Provisions, the crop insured will
be all the wheat for which premium
rates are provided by the premium
calculator:
(a) In which you have a share;
(b) That is adapted to the area based
on days to maturity and is compatible
with agronomic and weather conditions
in the area;
(c) That is planted for harvest as grain;
(d) That is not (unless allowed by the
Special Provisions):
(1) Interplanted with another crop;
(2) Planted into an established grass
or legume; or
(3) Planted as a nurse crop, unless
planted as a nurse crop for new forage
seeding, but only if seeded at a normal
rate and intended for harvest as grain.

6. Insurable Acreage

In addition to the provisions of
section 10 of the Basic Provisions, any
acreage of the insured crop damaged
before the final planting date, to the
extent that a majority of 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.

7. Insurance Period

In accordance with the provisions of
section 12 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 13 of the Basic Provisions,
insurance is provided only against an
unavoidable loss of revenue against the
following causes of loss which occur
within 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;
(f) Earthquake;
(g) Volcanic eruption;
(h) Failure of the irrigation water
supply, if applicable, due to a cause of
loss contained in sections 8(a) through
(g) occurring within the insurance
period; or
(i) A decline in the fall harvest price
below the projected harvest price.

9. Replanting Payment

(a) In accordance with section 14 of the
Basic Provisions:
(1) Replanting payments for wheat are
allowed if the wheat is damaged by an
insurable cause of loss to the extent that
the remaining stand will not produce at
least 90 percent of the per-acre revenue
guarantee for the acreage and it is
practical to replant. The projected
harvest price is used to determine if 90
percent of the unit revenue guarantee
can be achieved;
(2) The maximum amount of the
replanting payment per acre will be
your share times the lesser of 20 percent
of the per-acre revenue guarantee based
on the projected harvest price or an
amount equal to 3 bushels, times the
projected harvest price.
(b) When wheat is replanted using a
practice that is uninsurable for an
original planting, the unit per-acre
revenue guarantee based on the
projected harvest price will be reduced
by the amount of the replanting
payment which is attributable to your
share. The premium amount will not be
reduced.

10. Duties in the Event of Damage or Loss

In accordance with the requirements of
section 15 of the Basic Provisions, if you
initially discover damage to any
insured crop within 15 days of, or
during harvest, you must leave
representative samples of the
unharvested crop for our inspection.
The samples must be at least 10 feet
wide and extend the entire length of
each field in the unit, and must not be
harvested or destroyed until the earlier of
our inspection or 15 days after
harvest 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 units, we will
combine all optional units for which
such production records were not
provided; or
(2) For any basic units, 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 using the following
procedures:
(1) Basic and Optional units: We will
settle your claim on each basic or
optional unit by:
(i) Multiplying the unit's per-acre
revenue guarantee by the number of
insured acres in the unit;
(ii) Multiplying the applicable fall
harvest price by the production to count
for each unit (see sections 11(c) through
e);
(iii) Subtracting the result of section
11(b)(1)(ii) from the result of section
11(b)(1)(i); and
(iv) Multiplying the results in section
11(b)(2)(i) by your share.

If the result of section 11(b)(1)(iv) is
greater than zero, an indemnity equal to
that result will be paid to you. If the
result of section 11(b)(1)(iv) is less than
or equal to zero, no indemnity will be
paid.

(2) Enterprise units: We will settle
your claim on an enterprise unit by:
(i) Multiplying the enterprise unit's
per-acre revenue guarantee by the
number of insured acres in the
enterprise unit;
(ii) Multiplying the applicable fall
harvest price by the production to count
for the enterprise unit;
(iii) Subtracting the result of section
11(b)(2)(ii) from the result of section
11(b)(2)(i); and
(iv) Multiplying the result in section
11(b)(2)(ii) by your share.

If the result of section 11(b)(2)(iv) is
greater than zero, an indemnity equal to
that result will be paid to you. If the
result is less than or equal to zero, no indemnity will be
paid.

(3) Whole-farm units: We will settle
your claim on a whole-farm unit by:
(i) Multiplying the per acre revenue
guarantee for each crop by the number of
insured acres planted to each crop;
(ii) Totaling the results of section
11(b)(3)(i);
(iii) Multiplying the applicable fall
harvest price for each crop by the
production to count for each crop;
(iv) Totaling the results of section
11(b)(3)(ii); and
(v) Multiplying the result in section
11(b)(3)(ii) by your share.

If the result of section 11(b)(3)(iv) is
greater than zero, an indemnity equal to
that result will be paid to you. If the
result is less than or equal to zero, no indemnity will be
paid.
(1) All appraised production as follows:
   (i) Not less than the per-acre revenue guarantee will be used for such acreage; 
   (A) That is abandoned; 
   (B) Put to another use without our consent; 
   (C) 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 you wish to abandon and 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 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.
   (d) Mature wheat production 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 13.5 percent. We may obtain samples of the production to determine the moisture content.
   (2) Production will be eligible for quality adjustment:
      (i) Deficiencies in quality, in accordance with the Official United States Standards for Wheat, result in wheat not meeting the grade requirements for U.S. No. 1 (grades U.S. No. 2 or worse) because of test weight, total damaged kernels (excluding heat damage), shrunk or broken kernels, or defects (excluding foreign material and heat damage), or grading garlicky, light smutty, smutty or ergoty;
      (ii) Substances or conditions are present, including mycotoxins, 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 which occurs within the insurance period;
      (ii) 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; and
      (iii) The samples are analyzed by a grader licensed to grade the wheat under the authority of the United States Grain Standards Act or the United States Warehouse Act with regard to deficiencies in quality, or by a laboratory approved by us with regard to substances or conditions injurious to human or animal health. Test weight for quality adjustment purposes may be determined by our loss adjuster.
   (4) The wheat production that is eligible for quality adjustment, as specified in sections 11(d) (2) and (3), will be reduced by the quality adjustment factor contained in the Special Provisions.
   (e) Any production harvested from plants growing in the wheat may be counted as production of the wheat on a weight basis.

12. Prevented Planting

Your prevented planting coverage will be 60 percent of your per-acre revenue guarantee for timely planted acreage. You may increase your prevented planting coverage to a level specified in the actuarial documents by paying an additional premium.


Kenneth D. Ackerman,
Manager, Federal Crop Insurance Corporation.

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DEPARTMENT OF AGRICULTURE

Food Safety and Inspection Service

[Docket No. 98–063N]

Codex Alimentarius Commission: Meeting of the Codex Committee on Food Import and Export Inspection and Certification Systems

AGENCY: Food Safety and Inspection Service, USDA.

ACTION: Notice; request for comments.

SUMMARY: The Office of the Under Secretary for Food Safety, U.S. Department of Agriculture, and the Food and Drug Administration (FDA), U.S. Department of Health and Human Services, are sponsoring public meetings on January 13, 1999, and February 3, 1999, to provide information and receive public comments on agenda items that will be discussed at the Seventh Session of the Codex Committee on Food Import and Export Inspection and Certification Systems (CCFICS), in Melbourne, Australia, February 22–26, 1999. The Office of the Under Secretary and FDA recognize the importance of providing interested parties the opportunity to obtain background information on the Seventh Session of the CCFICS and to address items on the agenda.

DATES: The public meetings are scheduled for Wednesday, January 13, 1999, from 10:00 a.m. to 12:00 p.m., and Wednesday, February 3, 1999, from 10:00 a.m. to 12:00 p.m.

ADDRESSES: The public meetings will be held in Room 1813, 200 C Street, SW, Washington, DC. Send an original and two copies of comments to: FSIS Docket Clerk, Docket Number 98–063N, U.S. Department of Agriculture, Food Safety and Inspection Service, Room 102, Cotton Annex, 300 12th Street, SW, Washington, DC 20250–3700. All comments submitted in response to this notice will be available for public inspection in the Docket Clerk’s Office between 8:30 a.m. and 4:30 p.m., Monday through Friday.


SUPPLEMENTARY INFORMATION:

Background

The Codex Alimentarius Commission (Codex) was established in 1962 by two