This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

DEPARTMENT OF AGRICULTURE
Federal Crop Insurance Corporation

7 CFR Part 457
RIN 0563–AB99

Common Crop Insurance Regulations; Cabbage Crop Insurance Provisions

AGENCY: Federal Crop Insurance Corporation, USDA.

ACTION: Proposed rule with request for comments.

SUMMARY: The Federal Crop Insurance Corporation (FCIC) proposes to add to 7 CFR part 457 a new § 457.171 that provides insurance for cabbage. The provisions will be used in conjunction with the Common Crop Insurance Policy Basic Provisions, which contain standard terms and conditions common to most crops. The intended effect of this action is to convert the cabbage pilot crop insurance program to a permanent insurance program for the 2009 and succeeding crop years.

DATES: Written comments and opinions on this proposed rule will be accepted until close of business January 16, 2007 and will be considered when the rule is to be made final. The comment period for information collections under the Paperwork Reduction Act of 1995 must be received on or before January 16, 2007.

ADDRESSES: Interested persons are invited to submit written comments, titled “Cabbage Crop Provisions”, by any of the following methods:

- By Mail to: Director, Product Administration and Standards Division, Risk Management Agency, United States Department of Agriculture, 6501 Beacon Drive, Stop 0812, Room 421, Kansas City, MO 64133–4676.
- E-mail: DirectorPDD@rma.usda.gov.

A copy of each response will be available for public inspection and copying from 7 a.m. to 4:30 p.m., c.s.t., Monday through Friday, except holidays, at the above address.

FOR FURTHER INFORMATION CONTACT: John McDonald, Risk Management Specialist, Product Management, Product Administration and Standards Division, Risk Management Agency, at the Kansas City, MO, address listed above, telephone (816) 926–7730.

SUPPLEMENTARY INFORMATION:

Executive Order 12866

The Office of Management and Budget (OMB) has determined that this rule is not significant for the purpose of Executive Order 12866 and, therefore, has not been reviewed by OMB.

Paperwork Reduction Act of 1995

Pursuant to the provisions of the Paperwork Reduction Act of 1995 (44 U.S.C. chapter 35), the collections of information in this rule have been approved by OMB under control number 0563–0057 through June 30, 2006.

E-Government Act Compliance

FCIC is committed to complying with the E-Government Act, to promote the use of the internet and other information technologies to provide increased opportunities for citizen access to Government information and services, and for other purposes.

Unfunded Mandates Reform Act of 1995

Title II of the Unfunded Mandates Reform Act of 1995 (UMRA) establishes requirements for Federal agencies to assess the effects of their regulatory actions on State, local, and tribal governments and the private sector. This rule contains no Federal mandates (under the regulatory provisions of title II of the UMRA) for State, local, and tribal governments or the private sector. Therefore, this rule is not subject to the requirements of sections 202 and 205 of the UMRA.

Executive Order 13132

It has been determined under section 1(a) of Executive Order No. 13132, Federalism, that this rule does not have sufficient implications to warrant consultation with the States. The provisions contained in this rule will not have a substantial direct effect on States, or on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government.

Regulatory Flexibility Act

FCIC certifies that this regulation will not have a significant economical impact on a substantial number of small entities. Program requirements for the Federal crop insurance program are the same for all producers regardless of the size of their farming operation. For instance, all producers are required to submit an application and acreage report to establish their insurance guarantees and compute premium amounts, and all producers are required to submit a notice of loss and production information to determine an indemnity payment in the event of an insured cause of crop loss. Whether a producer has 10 acres or 1000 acres, there is no difference in the kind of information collected. To ensure crop insurance is available to small entities, the Federal Crop Insurance Act authorizes FCIC to waive collection of administrative fees from limited resource farmers. FCIC believes this waiver helps to ensure that small entities are given the same opportunities as large entities to manage their risks through the use of crop insurance. A Regulatory Flexibility Analysis has not been prepared since this regulation does not have an impact on small entities and therefore, this regulation is exempt from the provisions of the Regulatory Flexibility Act (5 U.S.C. 605).
require the insurance provider to take specific action under the terms of the crop insurance policy, the administrative appeal provisions published at 7 CFR part 11 must be exhausted before any action against FCIC for judicial review may be brought.

Environmental Evaluation

This action is not expected to have a significant impact on the quality of the human environment, health, and safety. Therefore, neither an Environmental Assessment nor an Environmental Impact Statement is needed.

Background

FCIC offered the pilot crop insurance program for cabbage in five states beginning with the 1999 crop year and expanded the program into the states of Alaska, Florida, Georgia, Illinois, Michigan, New York, North Carolina, Ohio, Oregon, Pennsylvania, South Carolina, Texas, Virginia, Washington, and Wisconsin for the 2000 crop year. For the 2005 crop year, 149 producers with 14,527 acres were insured under the pilot cabbage program.

FCIC intends to convert the cabbage pilot crop insurance program to a permanent crop insurance program beginning with the 2009 crop year. To effectuate this, FCIC proposes to amend the Common Crop Insurance regulations (7 CFR part 457) by adding a new section § 457.171, Cabbage Crop Insurance Provisions. These provisions will replace and supersede the current unpublished pilot cabbage crop provisions.

Some changes have been made to the pilot program, including the addition of quality adjustment and the allowance of written agreements. Other minor changes have been made to make the provisions more comprehensive, effective, consistent with other similar Crop Provisions, and to clarify coverages.

List of Subjects in 7 CFR Part 457

Crop insurance, Cabbage, Reporting and recordkeeping requirements.

Proposed Rule

Accordingly, as set forth in the preamble, the Federal Crop Insurance Corporation proposes to amend 7 CFR part 457, Common Crop Insurance Regulations, for the 2009 and succeeding crop years as follows:

PART 457—COMMON CROP INSURANCE REGULATIONS

1. The authority citation for 7 CFR part 457 continues to read as follows:

Authority: 7 U.S.C. 1506(l), 1506(p).

2. Section 457.171 is added to read as follows:

§ 457.171 Cabbage crop insurance provisions.

The Cabbage Crop Insurance Provisions for the 2009 and succeeding crop years as follows:


Reinsured policies: (Appropriate title for insurance provider).

Both FCIC and reinsured policies: Cabbage Crop Insurance Provisions.

1. Definitions

Cabbage. Plants of the family Brassicaceae and the genus Brassica, grown for their compact heads and used for human consumption.

Damaged cabbage production. For fresh market cabbage, that fails to grade U.S Commercial or better, or for processing cabbage that fails to grade U.S No. 2 or better, in accordance with the grade standards due to an insurable cause of loss.

Direct marketing. Sale of the insured crop directly to consumers without the intervention of an intermediary such as a wholesaler, retailer, packer, processor, shipper, or buyer. Examples of direct marketing include selling through an on-farm or roadside stand, farmer’s market, and permitting the general public to enter the field for the purpose of picking all or a portion of the crop.

Harvest. Cutting of the cabbage plant to sever the head from the stalk.

Hundredweight. One hundred pounds avoirdupois.

Inspected transplants. Cabbage plants that have been found to meet the standards of the public agency responsible for the inspection process within the State in which they are grown.

Local market price. The price per hundredweight for fresh marketable cabbage at the time of harvest offered by buyers in the area in which you normally market the fresh cabbage.

 Marketable cabbage. Cabbage that is sold or:

(a) Grades at least U.S. Commercial for fresh market cabbage; or

(b) Grades at least U.S. No. 2 for processing cabbage.

Price election. In addition to the definition contained in section 1 of the Basic Provisions, the price election for cabbage grown under a processor contract will be the price contained in such processor contract.

Planted acreage. In addition to the definition contained in section 1 of the Basic Provisions, cabbage plants and seeds must initially be planted in rows wide enough to permit mechanical cultivation. Cabbage planted or seeds planted in any other manner will not be insurable unless otherwise designated by the Special Provisions.

Processor. Any business enterprise regularly engaged in processing cabbage for human consumption, that possesses all licenses and permits for processing cabbage required by the State in which it operates, and that possesses facilities, or has contractual access to such facilities, with enough equipment to accept and process the contracted cabbage within a reasonable amount of time after harvest.

Processor contract. A written contract between the producer and the processor, containing at a minimum:

(a) The producer’s commitment to plant and grow cabbage, and to sell and deliver the cabbage production to the processor;

(b) The processor’s commitment to purchase all the production stated in the contract and to accept delivery subject only to specified conditions; and

(c) A price per hundredweight that will be paid for the production.

Timely planted. In lieu of the definition contained in section 1 of the Basic Provisions, cabbage planted during a planting period designated in the Special Provisions.

Type. A category of cabbage as designated in the Special Provisions.

2. Unit Division

(a) A basic unit, as defined in section 1 of the Basic Provisions, will also be divided into additional basic units by planting period if designated in the Special Provisions.

(b) In addition to the requirements of section 34 of the Basic Provisions, optional units may also be established by types designated in the Special Provisions.

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

(a) In addition to the requirements of section 3 of the Basic Provisions, you may select only one price election for all the cabbage in the county insured under this policy unless the actuarial documents provide different price elections by type, in which case you may select one price election for each cabbage type designated in the actuarial documents.

(b) If price elections are allowed by type, you can select one price election for each type designated in the Special Provisions. The price elections you choose for each type must bear the same percentage relationship to the maximum price election offered by us for each
6. Report of Acreage

In addition to the provisions of section 6 of the Basic Provisions, to insure your cabbage under the price per hundredweight contained in your processor contract you must provide a copy of all your processor contracts, if applicable, to us on or before the acreage reporting date.

7. Insured Crop

(a) In accordance with section 8 of the Basic Provisions, the crop insured will be all the cabbage types in the county for which a premium rate is provided by the actuarial documents, in which you have a share, and that are:
   (1) Planted with inspected transplants, if required by the Special Provisions;
   (2) Planted with hybrid seed, if direct-seeded, unless otherwise permitted by the Special Provisions;
   (3) Planted within the planting periods as designated in the Special Provisions;
   (4) Planted to be harvested and sold as fresh cabbage;
   (5) Planted to be grown and sold as processing cabbage in accordance with the requirements of a processor contract executed on or before the acreage reporting date and not excluded from the processor contract at any time during the planting period; and
   (6) Unless allowed by the Special Provisions:
      (i) Not interplanted with another crop; and
      (ii) Not sold by direct marketing.
(b) Under the processor contract, you will be considered to have a share in the insured crop to the extent you retain control of the acreage on which the cabbage is grown, your income from the insured crop is dependent on the amount of production delivered, and the processor contract provides for delivery of the mustard under specified conditions and at a stipulated base contract price.
(c) A processing cabbage producer who is also a processor may establish an insurance interest in the following additional requirements are met:
   (1) The producer must comply with these Crop Provisions;
   (2) Prior to the sales closing date, the Board of Directors or officers of the processor must execute and adopt a resolution that contains the same terms as an acceptable processor contract. Such resolution will be considered a processor contract under this policy; and
   (3) Our inspection reveals that the processing facilities comply with the processor definition contained in these Crop Provisions.

8. Insurable Acreage

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

(a) We will not insure any acreage that does not meet the rotation requirements contained in the Special Provisions.
(b) Any acreage of the insured crop damaged before the end of the planting period, 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.

9. Insurance Period

(a) In lieu of the provisions of section 11 of the Basic Provisions, coverage begins on each unit or part of a unit the later of:

(c) As designated in the Special Provisions for all other states and counties.

State and counties

Colquitt County, Georgia; South Carolina; Texas

Florida

Oregon, Washington

Rabun County, Georgia; North Carolina

Alaska, Illinois, Michigan, New York, Ohio, Pennsylvania, Virginia, and Wisconsin

All other states and counties

Cancellation and termination dates

July 1.

(b) November 30 in Alaska; Rabun County, Georgia; Illinois; Michigan; New York; North Carolina; Ohio; Oregon; Pennsylvania; Virginia; Washington; and Wisconsin; or

(c) As designated in the Special Provisions.

June 15 for the spring planting period;

(A) February 15 for the fall planting period;

(B) April 15 for the fall planting period;

(C) March 15.

As designated in the Special Provisions.

(A) October 1;

(B) June 15 for the spring planting period;

(iv) Rabun County, Georgia:

(A) September 15 for the fall planting period;

(B) November 30 for the winter planting period; and

(C) May 31 for the spring planting period;

(iii) Colquitt County, Georgia, and South Carolina:

(A) January 15 for the fall planting period;

(B) June 15 for the spring planting period;

(iv) Rabun County, Georgia:

(A) September 15 for the spring planting period; and

(B) November 30 for the spring planting period;

(vi) North Carolina:

(A) July 10 for the spring planting period; and
(B) December 31 for the fall planting period; 
(vii) Oregon: December 31; 
(viii) Texas: 
(A) December 31 for the summer planting period; 
(B) February 15 for the fall planting period; and 
(C) April 30 for the winter planting period; 
(ix) Virginia: 
(A) July 31 for the early spring planting period; 
(B) September 15 for the spring planting period; and 
(C) November 15 for the summer planting period; 
(x) Washington: December 31; 
(xi) Wisconsin: November 5; and 
(xii) All other states and counties as provided in the Special Provisions.

10. Causes of Loss
(a) In accordance with the provisions of section 12 of the Basic Provisions, insurance is provided only against the following causes of loss that occur during the insurance period:
(1) Adverse weather conditions; 
(2) Fire; 
(3) Wildlife; 
(4) Insects or plant disease, but not damage due to insufficient or improper application of control measures; 
(5) Earthquake; 
(6) Volcanic eruption; or 
(7) Failure of the irrigation water supply, if caused by cause of loss specified in sections 10(a)(1) through (6) that occurs during the insurance period. 
(b) In addition to the causes of loss excluded in section 12 of the Basic Provisions, we will not insure against damage or loss of production due to:
(1) Failure to market the cabbage for any reason other than actual physical damage from an insured cause of loss that occurs during the insurance period (For example, we will not pay you an indemnity if you are unable to market due to quarantine, boycott, or refusal of any person to accept production, etc.); or 
(2) Damage that occurs or becomes evident after the end of the insurance period, including, but not limited to, damage that occurs or becomes evident after the cabbage has been placed in storage.

11. Replanting Payments
(a) In accordance with section 13 of the Basic Provisions, a replanting payment is allowed if the crop is damaged by an insurable cause of loss to the extent that the remaining stand will not produce at least 90 percent of the production guarantee for the acreage and it is practical to replant. 
(b) No replanting payment will be made on acreage planted prior to the initial planting date or after the final planting period dates as designated by the Special Provisions.
(c) In accordance with section 13(c) of the Basic Provisions, the maximum amount of the replanting payment per acre is the number of hundredweight specified in the Special Provisions multiplied by your price election; multiplied by your insured share. The fresh market cabbage price election will be used to determine processing cabbage replanting payments in counties where both fresh market and processing cabbage are insurable.
(d) When the insured crop is replanted using a practice that is uninsurable as an original planting, the liability for the unit will be reduced by the amount of the replanting payment attributable to your share. The premium will not be reduced.
(e) In lieu of the provisions contained in section 13 of the Basic Provisions that limit a replanting payment to one each crop year, only one replanting payment will be made for acreage replanted during each planting period within the crop year, if allowed by the Special Provisions.
12. Duties in the Event of Damage or Loss
(a) Failure to meet the requirements of this section will result in an appraised amount of production to count of not less than the production guarantee per acre if such failure results in our inability to make the required appraisal. 
(b) In addition to section 14 of the Basic Provisions, so that we may inspect the insured crop, you must give us notice:
(1) Within 72 hours of your initial discovery of damage, if such discovery occurs more than 15 days prior to harvest of the acreage. 
(2) Immediately if damage is discovered 15 days or less prior to the beginning of harvest or during harvest. 
(3) At least 15 days prior to the beginning of harvest, if direct marketing of the insured crop is allowed by the Special Provisions, and if you intend to direct market any of the crop. 
(4) At least 15 days before the earlier of:
(i) The date harvest would normally start if any acreage on the unit will not be harvested; 
(ii) The beginning of harvest, if any production will be harvested for a use other than as indicated on the acreage report. 
(c) After you have provided the applicable notice required by section 12(b), we will conduct an appraisal to determine your production to count for the purposes of section 13(d). You must not dispose of or sell the damaged crop, or store the insured crop, until after we have appraised it and given you written consent to do so. If additional damage occurs after this appraisal except for stored cabbage, we will conduct another appraisal. These appraisals, and any acceptable records provided by you, will be used to determine your production to count in accordance with section 13(d).
(d) In accordance with the requirements of section 14 of the Basic Provisions, if you initially discover damage to any insured cabbage 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 3 rows 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 balance of the unit is completed.
13. Settlement of Claim
(a) We will determine your loss on a unit basis. 
(1) In the event you are unable to provide separate acceptable production records:
(i) For any optional units, we will combine all optional units for which such production records were not provided; and 
(ii) For any basic units, we will allocate any commingled production to such units in proportion to our liability on the harvested acreage for the units. 
For any processor contract that stipulates the amount of production to be delivered, and notwithstanding the provisions of this section or any unit division provisions contained in the Basic Provisions or these Crop Provisions:
(i) No indemnity will be paid for any loss of production on any unit if you produce sufficient production to fulfill the processor contracts forming the basis for the guarantee.
(ii) Production in excess of the guarantee from a unit will be included as production to count for the purposes of section 13(b)(4) for any unit where the amount of production to count is less than the guarantee for such unit until the production to count equals the guarantee for the unit; and 
(iii) Once all production in excess of the guarantee for a unit is allocated to units where the amount of production to count is less than the guarantee for such units, an indemnity will be determined for those units where the adjusted production to count remains is less than
the guarantee in accordance with section 13(b).

(b) We will determine the extent of any loss the date the cabbage is placed in storage if the production is stored prior to sale, or the date it is delivered to a buyer, wholesaler, packer, processor, or other handler if production is not stored.

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

1. Multiplying the insured acreage by its respective production guarantee (per acre), by type if applicable (If you have multiple processor contracts with varying prices per hundredweight within the same unit, we will value your production to count by using your highest price election first and will continue in decreasing order to your lowest price election based on the amount of production insured at each price election);
2. Multiplying each result in section 13(c)(1) by the respective price election, by type if applicable;
3. Totaling the results in section 13(c)(2);
4. Multiplying the total production to count of each type, if applicable (see section 13(d)), by its respective price election;
5. Totaling the results in section 13(c)(4);
6. Subtracting the results in section 13(c)(5) from the results of section 13(c)(3); and
7. Multiplying the result in section 13(c)(6) by your share.

For example: For a basic unit you have 100 percent share in 100 acres of cabbage, 50 acres for fresh market and 50 acres for processing as sauerkraut, with a production guarantee (per acre) of 400 hundredweight per acre for fresh market and 400 hundredweight per acre for processing as sauerkraut and a price election of $5.00 per hundredweight for fresh market and $1.90 per hundredweight for processing as sauerkraut. You are only able to harvest 9,000 hundredweight of fresh market cabbage and 9,000 hundredweight of cabbage for sauerkraut because an insured cause of loss has reduced production. Your total indemnity would be calculated as follows:

1. 50 acres × 400 hundredweight = 20,000 hundredweight guarantee for the fresh market acreage;
2. 20,000 hundredweight guarantee × $5.00 price election = $100,000 value of guarantee for the fresh market acreage;
3. $100,000 + $38,000 = $138,000 total value of guarantee.

4. 9,000 hundredweight × $5.00 price election = $45,000 value of production to count for the fresh market acreage.
5. 9,000 hundredweight × $1.90 price election = $17,100 value of production to count for the acreage for sauerkraut.
6. $45,000 + $17,100 = $62,100 total value of production to count.
7. $138,000 – $62,100 = $75,900 loss.
8. $75,900 × 100 percent share = $75,900 indemnity payment.

(d) The total production to count (in hundredweight) of marketable cabbage from all insurable acreage on the unit will include:

1. All insured production as follows:
   (i) Not less than the production guarantee (per acre) for acreage;
   (ii) All production lost due to uninsured causes;
   (iii) All unharvested production;
   (iv) All potential production on insured acreage that you intend to put to another use or abandon, if you and we agree on the appraised amount of production. Upon such agreement, the insurance period for that acreage will end when you put the acreage to another use or abandon the crop. If agreement on the appraised amount of production is not reached:
      (A) If you do not elect to continue to care for the crop, we may give you consent to put the acreage to another use if you agree to leave intact, and provide sufficient care for, representative samples of the crop in locations acceptable to us. (The amount of production to count for such acreage will be based on the harvested production or appraisals from the samples at the time harvest should have occurred. If you do not leave the required samples intact, or fail to provide sufficient care for the samples, our appraisal made prior to giving you consent to put the acreage to another use will be used to determine the amount of production to count); or
      (B) If you elect to continue to care for the crop, the amount of production to count for the acreage will be the harvested production, or our reappraisal if additional damage occurs and the crop is not harvested; and
2. All harvested production from the insurable acreage.

(e) Mature production that is considered damaged cabbage production due to an insured cause but is marketable will be adjusted as follows:

1. Dividing the local market price per hundredweight of such damaged cabbage production by the applicable price election; and
2. Multiplying the result by the number of hundredweight of damaged cabbage production.

14. Late and Prevented Planting

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

Signed in Washington, DC, on November 7, 2006.

Eldon Gould,
Manager, Federal Crop Insurance Corporation.

[FR Doc. E6–19319 Filed 11–15–06; 8:45 am]

BILLING CODE 3410–08–P

DEPARTMENT OF AGRICULTURE

Federal Crop Insurance Corporation

7 CFR Part 457

RIN 0563–AC04

Common Crop Insurance Regulations; Mustard Crop Insurance Provisions

AGENCY: Federal Crop Insurance Corporation, USDA.

ACTION: Proposed rule with request for comments.

SUMMARY: The Federal Crop Insurance Corporation (FCIC) proposes to add to 7 CFR part 457 a new § 457.168 that provides insurance for mustard. The provisions will be used in conjunction with the Common Crop Insurance Policy Basic Provisions, which contain standard terms and conditions common to most crops. The intended effect of this action is to convert the mustard pilot crop insurance program to a permanent insurance program effective for the 2008 and succeeding crop years.

DATES: Written comments and opinions on this proposed rule will be accepted until close of business January 16, 2007 and will be considered when the rule is to be made final.

ADDRESSES: Interested persons are invited to submit written comments, titled “Mustard Crop Provisions”, by any of the following methods:

• By Mail to: Director, Product Administration and Standards Division, Risk Management Agency, United States Department of Agriculture, 6501 Beacon Drive, Stop 0812, Room 421, Kansas City, MO 64133–4676.
• E-mail: DirectorPDD@mra.usda.gov.
• Federal eRulemaking Portal: http://www.regulations.gov. Follow the instructions for submitting comments. A copy of each response will be available for public inspection and copying from 7:00 a.m. to 4:30 p.m., c.s.t., Monday through Friday, except holidays, at the above address.

FOR FURTHER INFORMATION CONTACT: John McDonald, Risk Management Specialist, Deputy Administrator for Product