Federal Register

Friday,
July 14, 2006

Part II

Department of Agriculture

Federal Crop Insurance Corporation

7 CFR Part 457

Common Crop Insurance Regulations, Basic Provisions; and Various Crop Insurance Provisions; Proposed Rule

DEPARTMENT OF AGRICULTURE

Federal Crop Insurance Corporation

7 CFR Part 457

RIN 0563–AB96

Common Crop Insurance Regulations, Basic Provisions; and Various 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 amend the Common Crop Insurance Regulations, Basic Provisions, Small Grains Crop Insurance Provisions, Cotton Crop Insurance Provisions, Coarse Grains Crop Insurance Provisions, Malting Barley Crop Insurance Provisions, Rice Crop Insurance Provisions, and Canola and Rapeseed Crop Insurance Provisions to provide revenue protection and yield protection. FCIC also proposes to amend the Common Crop Insurance Regulations, Basic Provisions to incorporate changes resulting from input and recommendations by the prevented planting work group. The amended provisions will replace the Crop Revenue Coverage (CRC), Income Protection (IP), Indexed Income Protection (IIP), and the Revenue Assurance (RA) plans of insurance. The intended effect of this action is to offer producers a choice of revenue protection (protection against loss of revenue caused by low prices, low yields or a combination of both) or yield protection (protection for production losses only) within one Basic Provisions and the applicable Crop Provisions to reduce the amount of information producers must read to determine the best risk management tool for their operation and to improve the prevented planting and other provisions to better meet the needs of insured producers. The changes will apply for the 2009 and succeeding crop years.

DATES: Written comments and opinions on this proposed rule will be accepted until close of business September 12, 2006 and will be considered when the rule is to be made final. Comments on information collection under the Paperwork Reduction Act of 1995 must be received on or before September 12, 2006.

ADDRESSES: Interested persons are invited to submit comments, titled ''Combination Basic and 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.*
- 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 a.m. to 4:30 p.m., c.s.t., Monday through Friday, except holidays, at the above address.

FOR FURTHER INFORMATION CONTACT: For further information contact Louise Narber, 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. For a copy of the Cost-Benefit Analysis, contact Leiann Nelson, Economist, at the office, address, and telephone number listed above.

SUPPLEMENTARY INFORMATION:

Executive Order 12866

This rule has been determined to be significant for the purposes of Executive Order 12866 and, therefore, it has been reviewed by the Office of Management and Budget (OMB).

Cost-Benefit Analysis

A Cost Benefit Analysis has been completed and is available at the Kansas City address listed above to interested persons. In summary, the analysis finds that changes in the rule will have positive potential benefits for producers and insurance providers. The PayGo impact of no longer providing revenue coverage for sunflowers is estimated at $36,814. This was calculated based on the lower rate from MPCI coverage, the higher administrative and operating subsidy percentage from MPCI coverage, a lower amount of premium subsidy paid due to the lower premium, and a small amount of lesser indemnity paid based on no losses due to the harvest price. The PayGo impact of changing the rapeseed price mechanism for revenue coverage is estimated at $5,233. This was calculated based on the lower rate from MPCI coverage, a lower amount of premium subsidy paid due to the lower premium, and a small amount of lesser indemnity paid. A misreporting information penalty was put into place in the 2005 crop year. This misreporting penalty was based on the APH yield and acres reported. The policy already held misreported acres and yields against the producer and when the misreporting factor was also applied to the indemnity, the penalty proved to be overly harsh. In addition, the penalty was difficult to determine and administer. The total indemnity withheld in 2005 due to the MIF penalty was slightly under $2.7 million and involved just over 608 thousand acres. RMA is recommending that the MIF penalty be removed from the policy based on the following facts: (1) Penalties against misreporting continue in the policy and acres and yields that are misreported are held against the indemnity; and (2) Fraud against crop insurance is punishable by law.

Combining yield protection (protection for production losses only) and revenue protection (protection against loss of revenue caused by low prices, low yields or a combination of both) within one Basic Provisions and the applicable Crop Provisions will minimize the quantity of documents needed to be included in the contract between the producer and the insurance provider. A producer benefits because he or she will not receive several copies of largely duplicative material as part of the insurance contracts for crops insured under different insurance plans. Approved insurance providers benefit because there is no need to maintain inventories of similar materials. Handling and mailing costs are reduced to the extent that duplication of Basic or Crop Provisions is eliminated. Benefits accrue due to avoided costs (resources employed for duplicative effort) which are intangible in nature. Certain avoided costs are the need to prepare and publish multiple copies of similar documents and the need to store and mail multiple copies of similar documents. These proposed changes will increase the efficiency of the approved insurance providers by eliminating the need to maintain and track separate forms and by eliminating the potential for providing an incorrect set of documents to an insured person by inadvertent error.

Revisions to the prevented planting provisions will clarify certain terms and conditions to reduce fraud, waste, and abuse. Also, the prevented planting payment amount will not exceed the payment level for the crop that is prevented from being planted. Current provisions allow payment based on another crop when there are no remaining eligible acres for the crop that is prevented from being planted. Payment is currently based on the other crop. Proposed provisions allow eligible acres for another crop to be used but limit the payment amount to that associated with the crop that was prevented from being planted.

CRC, RA, IP and IIP plans of insurance currently use a market-price discovery method to determine prices. This rule proposes to use this same method for determining prices used for crops with both revenue protection and yield protection. The benefits of this action primarily accrue to FCIC, which will no longer be required to make two estimates of the respective market price for these crops. Approved insurance providers benefit because they no longer will be required to process multiple releases of the expected market price for a crop year. Producers also benefit because the price at which they may insure the crops included under yield protection should more closely approximate the market value of any loss in yield that is subject to an indemnity. There are essentially no direct costs for this change since the market-price price discovery mechanism already exists and is in use for the insurance plans to be included in revenue protection. All required data are available and similar calculations are currently being made.

Sunflowers, which are currently eligible for revenue-based coverage, will no longer be eligible under the proposed changes. Very few crop policies of sunflowers earned premium in 2003. Removal of this crop from eligibility is appropriate because the mechanism for price discovery does not adequately reflect either market value or changes in the market valuation during the period between planting and harvest.

These changes will simplify administration of the crop insurance program, reduce the quantity of documents and electronic materials prepared and distributed, better define the terms of coverage, provide greater clarity, and reduce the potential for waste, fraud, and abuse.

Many of the benefits and costs associated with the proposed rule cannot be quantified. The qualitative assessment indicates that the benefits outweigh the costs of the regulation.

Paperwork Reduction Act of 1995

In accordance with section 3507(j) of the Paperwork Reduction Act of 1995 (44 U.S.C. 3501), the information collection and recordkeeping requirements included in this rule have been submitted for approval to OMB. Please submit written comments to the Desk Officer for Agriculture, Office of Information and Regulatory Affairs, Office of Management and Budget (OMB), Washington, DC 20503. A comment to OMB is best assured of having its full effect if OMB receives it within 30 days of publication of this rule.

Comments are being solicited from the public concerning this proposed information collection and recordkeeping requirements. This outside input will help:

(1) Evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information has practical utility;

(2) Evaluate the accuracy of our estimate of the burden of the proposed collection of information, including the validity of the methodology and assumption used;

(3) Enhance the quality, utility, and clarity of the information to be collected; and

(4) Minimize the burden of the collection of information on those who are to respond (such as through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission responses.)

Title: Common Crop Insurance Regulations, Basic Provisions; and Various Crop Insurance Provisions.

Abstract: The Federal Crop Insurance Corporation (FCIC) proposes to amend the Common Crop Insurance Regulations, Basic Provisions, Small Grains Crop Insurance Provisions, Cotton Crop Insurance Provisions, Coarse Grains Crop Insurance Provisions, Malting Barley Crop Insurance Provisions, Rice Crop Insurance Provisions, and Canola and Rapeseed Crop Insurance Provisions to provide revenue protection and yield protection. The amended provisions will replace the Crop Revenue Coverage (CRC), Income Protection (IP), Indexed Income Protection (IIP), and Revenue Assurance (RA) plans of insurance. The intended effect of this action is to offer producers a choice of revenue protection (protection against loss of revenue caused by low prices, low yield or a combination of both) or yield protection (protection for production losses only) within one Basic Provisions and the applicable Crop Provisions to reduce the amount of information producers must read to determine the best risk management tool for their operation and to improve the prevented planting and other provisions to better meet the needs of insured producers. (The burden hours for reading the various policies to determine the best risk management tool for the producer's farming operation were not included in the current information collection burden hours. Burden hours for reading insurance documents are now included in the revised information collection package.)

Purpose: To amend 7 CFR part 457.

Burden Statement: The information collection requirements are necessary for administering the crop insurance program. Producers are required to report specific data when they apply for crop insurance and report acreage, yields, and notices of loss. Insurance companies accept applications, issue policies, establish and provide insurance coverage, compute liability, premium, subsidies, and losses, indemnify producers, and report specific data to FCIC, as required. Insurance agents market crop insurance and service the producer. This data is used to administer the Federal crop insurance program in accordance with the Federal Crop Insurance Act, as amended.

Estimate of Burden: The public reporting burden for this collection of information is estimated to average 0.4 of an hour per response.

Respondents: Producers and insurance companies reinsured by FCIC.

Estimated Annual Number of Respondents: 1,248,281.

Estimated Annual Number of Responses Per Respondent: 3.6.

Estimated Annual Number of Responses: 4,551,705.

Estimated Total Annual Burden Hours on Respondents: 1,866,457.

Government Paperwork Elimination Act (GPEA) Compliance

FCIC is committed to compliance with the GPEA, which requires Government agencies, in general, to provide the public with the option of submitting information or transacting business electronically to the maximum extent possible. FCIC requires that all reinsured companies be in compliance with the Freedom to E-File Act and section 508 of the Rehabilitation Act.

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 UMRA.

Executive Order 13132

It has been determined under section 1(a) of Executive Order 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 economic 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 the amount of 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).

Federal Assistance Program

This program is listed in the Catalog of Federal Domestic Assistance under No. 10.450.

Executive Order 12372

This program is not subject to the provisions of Executive Order 12372, which require intergovernmental consultation with State and local officials. See the Notice related to 7 CFR part 3015, subpart V, published at 48 FR 29115, June 24, 1983.

Executive Order 12988

This proposed rule has been reviewed in accordance with Executive Order 12988 on civil justice reform. The provisions of this rule will not have a retroactive effect. The provisions of this rule will preempt State and local laws to the extent such State and local laws are inconsistent herewith. With respect to any direct action taken by FCIC or to 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 economic impact on the quality of the human environment, health, or safety. Therefore, neither an Environmental Assessment nor an Environmental Impact Statement is needed.

Background

1. History

a. APH

The Actual Production History (APH) plan of insurance was developed by FCIC and provides protection only against reductions in yield and prevented planting. Beginning with the 1985 crop year, FCIC offered an individual yield coverage plan that was based on the actual production of the producer. Previous to that crop year, coverage was based on an area yield. The individual yield coverage plan required 3 years of records, building to a maximum of 10 years.

In 1994, the Federal Crop Insurance Reform Act of 1994 legislated that insurance coverage be based on the producer's actual production history, with 4 years of records required to establish the initial APH and building to ten year historic yield record. Congress also mandated that producers without the requisite records would receive a transitional yield determined by FCIC until 4 years of records were reached.

Under the APH program, each year of APH history is added together and averaged to determine the approved yield for the unit. If the producer's production for a crop year for the unit was less than the guarantee (the amount determined by multiplying the approved yield by the coverage level), the producer was eligible for an indemnity payment. For each insured crop, the expected market price at the time of harvest was set by FCIC and announced by the contract change date, which usually predated harvest by at least six to nine months depending on the crop. FCIC eventually revised the policy to allow for the announcement of an additional price before the sales closing date to allow FCIC to obtain additional information to more accurately estimate the harvest price. However, for each insured crop, only one market price is used to establish whether an indemnity is owed, except for certain crop types that have separate market prices per type. The APH program does not provide coverage for any change in the market price.

b. CRC

The Federal Crop Insurance Reform Act of 1994 also created section 508(h) of the Federal Crop Insurance Act (Act), which allows a person to submit to the FCIC Board of Directors (Board) other crop insurance policies, provisions of policies or premium rates. If the Board finds that the interests of the producers are adequately protected and that any premiums charged to the producers are actuarially appropriate, the submission is approved by the Board for reinsurance and for sale by approved insurance providers to producers at actuarially appropriate rates and under appropriate terms and conditions.

American Agrisurance, Inc. (AmAg), the managing general agent for Redland Insurance Company (Redland), an approved insurance provider, developed and submitted their CRC policy to the Board under section 508(h) of the Act, requesting reinsurance, administrative and operating expense subsidy, and premium subsidy beginning with the 1996 crop year. The policy provided protection against reductions in yield and changes in market price that occur during the insurance period. Eventually AmAg became the managing general agent for American Growers Insurance Company (American Growers) and continued to maintain CRC. In 2002, American Growers failed and AmAg determined it could not continue to maintain CRC. In December 2002, in accordance with section 522(b)(4)(C) of the Act, AmAg transferred the responsibility for CRC to FCIC.

CRC built upon the APH plan of insurance by adding a price protection component that for the first time used the commodity exchanges, such as the Chicago Board of Trade, to establish the expected market price for the crop. Before the insurance period, the expected market price is established using futures contracts to determine the expected market price at the time of harvest. Toward the end of the insurance period, the futures contracts from the same commodity exchange are again used to determine the new expected market price at the time of harvest. In this manner, the expected market price at the time of harvest is calculated before the insurance period begins and again toward the end of the insurance period so that any change in the expected market price can be measured.

CRC protects against both increases and decreases in price. Before the insurance period, the market price is established using futures contracts to determine the expected market price at the time of harvest. Toward the end of the insurance period, futures contracts for the same commodity exchanges are used to establish a new market price at the time of harvest. This meant that if the expected market price decreased during the insurance period or the producer suffered a loss in yield, the producer would be indemnified if the change in combination of price and yield results in the value of the production to count being less than the value of the guarantee.

c. RA

In 1995, the Iowa Farm Bill Study Team proposed RA. The idea was further developed by the Iowa Farm Bureau Federation and Farm Bureau Mutual Insurance Company (Farm Bureau) at the request of the Iowa Farm Bureau membership. RA was eventually owned and administered by American Farm Bureau Insurance Services, Inc. RA was submitted to the Board under section 508(h) of the Act and was first approved by the Board for the 1997 crop year. RA provided coverage against loss of production and a decrease in price. RA was later modified to allow producers the option of receiving coverage for both an increase and decrease in price.

Farm Bureau continued to maintain RA through the 2004 crop year, the last year for which maintenance costs were reimbursable under section 522(b)(4)(B) of the Act. For the 2005 crop year, Farm Bureau transferred the responsibility for maintenance for RA to FCIC.

RA built upon the APH plan of insurance by adding a price protection component that also used the commodity exchanges, such as the Chicago Board of Trade, to establish the expected market price for the crop. Before the insurance period, the market price is established using futures contracts to determine the expected market price at the time of harvest. Toward the end of the insurance period, futures contracts for the same commodity exchange are used to establish a new market price at the time of harvest. When it was first introduced, it only protected against decreases in price. This meant that if the expected market price decreased during the insurance period or the producer suffered a loss in yield, the producer would be indemnified if the change in combination of price and yield results in the value of the production to count being less than the value of the guarantee. Eventually RA was revised to allow producers to elect to purchase an option that would provide coverage in case the expected market price increased during the insurance period.

d. IP

In the Federal Crop Insurance Reform Act of 1994, Congress enacted section 508(h)(6) of the Act, which authorized FCIC to provide coverage against a reduction in price or yield resulting from an insured cause. FCIC subsequently developed IP and made it available for the 1997 crop year.

IP built upon the APH plan of insurance by adding a price protection component that also used the commodity exchanges, such as the Chicago Board of Trade, to establish the expected market price for the crop. Before the insurance period, the expected market price is established using futures contracts to determine price at the time of harvest. Toward the end of the insurance period, futures contracts from the same commodity exchange are again used to determine a new expected market price. IP only protects against decreases in price. This meant that if the expected market price decreased during the insurance period or the producer suffered a loss in yield, the producer would be indemnified if the change in combination of price and yield results in the value of the production to count being less than the value of the guarantee.

e. IIP

Beginning with the 1999 crop year, an alternative version of IP, Indexed IP, was available on a limited basis. IIP is currently available for corn and soybeans. IIP is identical to regular IP with the exception of the method used to calculate the APH approved yield. If the producer has experienced several losses during the period during which the APH is calculated, the producer's approved yield averages are reduced and may not reflect the expected yield of the crop during normal growing conditions. Indexing producer yields alleviates this problem. The indexing process uses county data to moderate the effect of these successive loss years. The IIP yield is calculated by subtracting the average of the producer's reported yields at the enterprise unit level from the average of the county yields for the same years, and subtracting that difference from the county's expected yield for the current crop year. This pilot program may provide an improved yield guarantee for producers in areas that have experienced numerous significant losses in recent years.

2. Proposed Policy

FCIC proposes to amend the Common Crop Insurance Regulations; Basic Provisions, Small Grains Crop Insurance Provisions, Cotton Crop Insurance Provisions, Coarse Grains Crop Insurance Provisions, Malting Barley Crop Insurance, Rice Crop Insurance Provisions, and Canola and Rapeseed Crop Insurance Provisions to provide both revenue protection and yield protection. Barley, canola and rapeseed, corn, cotton, grain sorghum, rice, soybeans, sunflowers, and wheat are currently insured under at least one of the CRC, IP, IIP, and RA plans of insurance as well as under the APH plan of insurance.

FCIC also proposes that sunflowers will no longer have revenue protection due to the lack of consistent and appropriate price data. Sunflowers will only be insurable under APH coverage and a price election will be established by FCIC.

FCIC is proposing that the best features of each of the above stated plans of insurance be combined into the revised Basic Provisions and applicable Crop Provisions. Under this proposal, for each insured crop for which revenue protection is available, producers must choose whether to insure the crop under the revenue protection provisions or the yield protection provisions. Revenue protection provides coverage against loss of revenue caused by low prices or low yields or a combination of both.

If revenue protection is selected, the producer will receive protection against both the increase and decrease in price unless the producer elects the harvest price exclusion option, which eliminates coverage against an increase in price. If yield protection is selected by the producer, the producer will only receive coverage for production losses and not for any change in the expected market price.

The proposed changes to the policy will give producers the ability to insure their yield risk or their revenue risk under one policy. However, revenue protection will not be available for all crops that are covered by the Basic Provisions. Revenue protection is proposed to be provided only for those crops that were previously covered by CRC and RA, except for sunflowers, in all counties where APH is available for such crops. The actuarial documents will reflect the crops and counties where revenue coverage under the proposed Basic Provisions and applicable Crop Provisions will be made available. Revenue protection may be made available for additional crops as appropriate. Producers who previously

had revenue coverage will automatically continue to have revenue protection under the revised policy absent notice from such producers that they are canceling the insurance coverage by the cancellation date or changing their coverage by the sales closing date.

The purpose of this endeavor is to create one simple policy and remove the redundancies and excess documents that currently add unnecessary complexity to the program. CRC, RA, and the APH Common Crop Insurance Policy each have different Basic Provisions. The Common Crop Insurance Policy Basic Provisions is also used for IP and IIP. The various Basic Provisions and Crop Provisions for each of these plans of insurance contain many of the same or similar terms and conditions. The proposed Basic Provisions and applicable Crop Provisions will allow agents to more effectively assist producers in comparing the choices that are available because all the terms will be contained in one policy, actuarial documents, premium calculators, etc. This will significantly reduce the burdens on agents and insurance providers through less training and supporting documentation costs. Producers will have fewer documents to review when evaluating the best plan of insurance for their particular farming operations. The proposed Basic Provisions and applicable Crop Provisions will also improve program integrity by eliminating potential conflicts and the mistakes that can occur when individual plans of insurance are revised differently.

3. Existing Coverages and Proposed Changes

Following is a summary of the relevant terms of the current plans of insurance and the proposed changes to such terms.

a. Coverage Levels

Under APH, producers choose coverage levels ranging from 50 to 75 percent (up to 85 percent depending on the crop and county) in 5 percent increments. Catastrophic risk protection (CAT) coverage is available with a coverage level of 50 percent of the approved yield and 55 percent of the expected market price, or a comparable coverage as determined by FCIC for policies with other than individual yield (For example, a dollar plan of insurance has coverage of 27.5 percent of an established dollar amount).

Under CRC, producers choose the amount of revenue protection that meets their risk management needs by selecting a coverage level between 50 and 75 percent (up to 85 percent depending on the crop and county) in 5 percent increments. Catastrophic risk protection coverage is not available.

For IP and IIP, producers choose the amount of revenue protection that meets their risk management needs by selecting either CAT (based on 27.5 percent of the approved yield and 100 percent price election) or a coverage level between 50 and 75 percent (85 percent depending on the crop and location) in 5 percent increments.

Under RA, producers choose the amount of revenue protection that meets their risk management needs by selecting a coverage level between 65 and 85 percent for whole-farm and enterprise units and 65 to 75 percent for basic and optional units (80 and 85 percent coverage is available where the APH plan of insurance allows 80 and 85 percent coverage, except for cotton). Catastrophic risk protection coverage is not available.

Under the revised Basic Provisions and Crop Provisions, FCIC proposes to adopt the coverage levels ranging from 50 to 75 percent (up to 85 percent depending on the crop and county) in 5 percent increments. Catastrophic risk protection (CAT) coverage will be available for yield protection with a coverage level of 50 percent of the approved yield and 55 percent of the expected market price, or a comparable coverage as determined by FCIC (For example, 27.5 percent of the approved yield and 100 percent of the expected market price is a comparable coverage). CAT coverage will not be available for revenue protection.

CAT coverage will not be available for revenue protection because CAT coverage is intended to be a nominal coverage provided in the event of catastrophic disasters. As such, producers do not pay premium and are only charged an administrative fee. Because CAT coverage is only intended to provide the most basic of protection, its options have always been severely limited, such as no written agreements, no optional units, no additional prevented planting coverage, no other optional coverages offered, etc. Since revenue protection is an additional option available to producers it would be inconsistent to allow such coverage to be available for CAT coverage.

b. Unit Structure

Producers insured under the APH plan of insurance must insure all the acreage of the insured crop in the county in which they have an interest with the exception of high-risk land. Producers may exclude high-risk land from coverage or insure it at the CAT coverage level. Insured acreage may be divided into smaller acreage or units. Basic units are determined by share. For example, a producer who owns one field and rents another field in exchange for a share of the crop can have two basic units. However, if the same producer owned both fields or cash rented one of the fields, the producer would only be eligible for one basic unit.

Basic units may generally be subdivided into optional units that are determined by boundaries (i.e., section, Farm Serial Numbers, non-contiguous land, etc.) and/or production practice (i.e., irrigated, non-irrigated) and each proposed optional unit must be supported by separate historical records of planted acreage and yield. For some crops, basic units may also be combined into an enterprise unit, which means all acreage of the insured crop in the county in which the producer has an interest will be in one unit, regardless of share. There is a separate guarantee for each basic, optional or enterprise unit. A premium discount is available if the producer elects basic or enterprise units.

Producers insuring under the CRC plan of insurance must also insure all the acreage of the insured crop in the county in which they have an interest. Insured acreage may be divided into smaller acreage or units. Like APH, basic units are determined by share. Like APH, basic units may be subdivided into optional units that are determined by boundaries (i.e., section, Farm Serial Numbers, non-contiguous land, etc.) and/or production practice (i.e., irrigated, non-irrigated) and each proposed optional unit must be supported by separate historical records of planted acreage and yield. Like APH, basic units may also be combined into an enterprise unit, which means all acreage of the insured crop in the county in which the producer has an interest will be in one unit. There is a separate revenue protection guarantee for each basic or optional unit. Basic or optional units comprising the enterprise unit retain separate final guarantees. A premium discount is available if the producer elects basic or enterprise units.

Like APH and CRC, producers that insure under the RA plan of insurance must also insure all the acreage of the insured crop in the county in which they have an interest. Insured acreage may be divided into smaller acreage or units. Like APH and CRC, basic units are determined by share. Like APH and CRC, basic units may be subdivided into optional units that are determined by boundaries (i.e., section, Farm Serial Numbers, non-contiguous land, etc.)

and/or production practice (i.e., irrigated, non-irrigated) and each proposed optional unit must be supported by separate historical records of planted acreage and yield. Like APH and CRC, basic units may also be combined into an enterprise unit, which means all acreage of the insured crop in the county in which the producer has an interest will be insured in one unit. However, RA also offers whole-farm units, where all crops for which insurance is available is insured in one unit, except winter wheat.

RA provides a premium discount if the producer elects a basic or an enterprise unit. An additional premium discount is available when the insured elects the whole-farm unit.

With respect to IP and IIP, insurance is only provided for an enterprise unit. Whole-farm, basic and optional units are not available.

Under the revised Basic Provisions and Crop Provisions, FCIC proposes to require that producers must insure all the acreage of the insured crop in the county in which they have an interest regardless of whether yield or revenue protection is selected. However, producers with yield or revenue protection may select from several unit structures: Basic, optional or enterprise units. However, producers with revenue protection may also select whole-farm units. Basic units are again determined by share.

FCIC is proposing that basic units may be subdivided into optional units that are determined by boundaries (i.e., section, Farm Serial Numbers, non-contiguous land, etc.) and/or production practice (i.e., irrigated, non-irrigated) and each proposed optional unit must be supported by separate historical records of planted acreage and yield.

FCIC is also proposing that an enterprise unit may be available for certain crops, as designated in the actuarial documents. The revised policy provides a premium discount if the producer elects a basic or enterprise unit.

FCIC is also proposing to allow producers to obtain whole-farm units. The producer cannot selectively choose which crops to include under the whole-farm unit. The producer must include all insured crops for which revenue protection is available and in which the producer has a share, except winter barley and winter wheat, which may not be included in the whole-farm unit. Fall planted crops are excluded from the whole-farm unit because the different growing seasons make it impossible to establish the guarantee or premium that may be owed at the time of application because the information regarding the spring planted crops is not yet available. Further, producers with fall planted crops would have to wait until after harvest of all their spring planted crops before an indemnity could be paid. An additional premium discount is available when the producer elects the whole-farm unit.

c. Price Methodology

As stated above, under the APH plan of insurance, there is a price election announced by FCIC for each insured crop or type. The price elections represent 100 percent of the expected market price. Price elections are determined by FCIC based on the best available data to estimate the expected market price at the time of harvest and are issued by the contract change date for each insured crop. In addition to the price election available on the contract change date, FCIC may provide an additional price election no later than 15 days prior to the crop's sales closing date. The additional price election will not be less than the price available on the contract change date and is intended to allow FCIC to update its available data so that the expected market price can more accurately reflect the expected market price the producer will receive at the time of harvest. Producers must elect the additional price election by the sales closing date. The producer can elect a percentage of this announced price. For example, the producer can elect to receive a price that is 80 percent of the price election announced by FCIC.

Further, as stated above, under the CRC plan of insurance, the base price is 100 percent of the expected market price at the time of harvest but it is established prior to the attachment of insurance. The base price is used to establish the guarantee. The harvest price is also 100 percent of the expected market price at the time of harvest but is established just before the crop is normally harvested. The harvest price is used to calculate the value of the production to count and to recalculate the revenue guarantee when the harvest price exceeds the base price. The CRC base and harvest prices are an average of the commodity exchange daily settlement prices for the insured crop, futures contract or index, for the period specified in the Commodity Exchange Endorsement.

As stated above, like CRC, RA uses two prices. The projected harvest price and the fall harvest price. The projected harvest price is 100 percent of the expected market price at the time of harvest established prior to the attachment of insurance and this price is used to set the guarantee. The fall harvest price is also 100 percent of the expected market price at the time of harvest established just before the crop is normally harvested and it is used to determine the value of the production to count. The RA projected harvest price and fall harvest price are an average of the commodity exchange daily settlement prices for the insured crop, futures contract or index, for the period specified in the Crop Provisions. Only protection against a reduction in price is built into the RA policy. To obtain protection in case the fall harvest price is greater than the projected harvest price, the producer must purchase the fall harvest price option for an additional premium.

As stated above, IP and IIP use two prices to measure price fluctuation. The projected price establishes the revenue guarantee. The harvest price establishes the value of the production to count. IP and IIP prices are 100 percent of the average daily settlement price for the insured crop, futures contract or index, for the period specified in the Crop Provisions. IP and IIP only provide price protection if the harvest price is less than the projected price. They do not provide protection if the harvest price exceeds the projected price.

For the revised Basic Provisions and Crop Provisions, for crops for which revenue protection is available, FCIC proposes to use the commodity exchanges to establish a projected price and a harvest price (the harvest price will only be used for crops with revenue protection). FCIC also proposes that the revised policy provide coverage for both an increase and decrease in price, unless the producer selects the harvest price exclusion option. Selection of the harvest price exclusion option will only provide protection against a decrease in the price. No matter whether the producer selects to insure against both an increase and decrease in price or selects the harvest price exclusion option, the harvest price will be used to value production to count.

If the producer elects yield protection for a crop for which revenue protection is available, the projected price will be used to calculate the value of the production to count. For crops for which revenue protection is not available, expected market prices, amounts of insurance, and the value of the production to count, as applicable, will continue to be based on the price elections determined by FCIC in accordance with the applicable Crop Provisions.

The price discovery methodology for crops with revenue protection available will be specified in the Commodity Exchange Price Provisions (CEPP). The

CEPP will include the information necessary to derive the projected price and the harvest price including the applicable commodity exchange and the relevant futures trading days, if applicable.

FCIC proposes that the price discovery period end not less than 15 days prior to the sales closing date and the projected price will be released within 5 days after the price determination period ends. This will allow FCIC to establish the most relevant price possible for the projected price. Therefore, the projected price will be available on the Actuarial Data Master (ADM) at least 10 days prior to the sales closing date.

RMA proposes to add an informational tool to RMA's Web site that will accumulate revenue protection volatility factors and projected prices and harvest prices, as defined in the Commodity Exchange Price Provisions, during the price discovery period. While the values in the accumulator will only be estimates until the price discovery period expires, this informational tool will be useful for producers and agents to begin making informed decisions about the risk management alternatives as far in advance of sales closing dates as possible.

FCIC is also proposing that if there is insufficient price information to set the projected price for a crop, the projected price will be determined by FCIC and no revenue protection will be available. In such case, producers who elected revenue protection will automatically have yield protection, unless the policy is cancelled by the cancellation date, and the projected price determined by FCIC will be used to establish the value of the guarantee and production to count. If there is sufficient price information to set the projected price for a crop for which revenue protection is offered but there is insufficient information to set the harvest price, the harvest price will be set equal to the projected price.

For corn silage insured under revenue protection, FCIC is proposing that the harvest price be set equal to the projected price because corn silage is not traded under any commodity exchange and corn silage prices do not have a correlation to corn for grain or other crop prices that are established on a commodity exchange. The result of this action will allow the producer to insure both corn for silage and grain and may allow the producer to qualify for a whole-farm unit under revenue protection.

For rapeseed insured under revenue protection, FCIC is also proposing that the harvest price will be set equal to the projected price because rapeseed is not traded under any commodity exchange and rapeseed prices no longer have a consistent correlation to canola prices that are established on a commodity exchange. The result of this action will allow the producer to insure both rapeseed and canola and may allow the producer to qualify for a whole-farm unit under revenue protection.

d. Guarantees

Under the APH plan of insurance, the guarantee is determined by multiplying the approved yield by the coverage level selected by the producer.

Under the CRC plan of insurance, the guarantee used to calculate premium and any replant payment and prevented planting payment is the approved yield times the coverage level times the base price. Since the policy is intended to cover both increases and decreases in price, to determine the guarantee for the purposes of establishing an indemnity, the higher of the base price or harvest price is used to establish the final guarantee.

Under the RA plan of insurance, the revenue guarantee is determined by multiplying the approved yield times the coverage level times the projected harvest price. Unless the producer selects the fall harvest price option, this revenue guarantee will be used to calculate premium, and any replant payment and any prevented planting payment and indemnity. If the producer elects the fall harvest price option, the revenue guarantee is determined by multiplying the approved yield times the coverage level times the higher of the projected harvest price or the fall harvest price.

Under the IP plan of insurance, the guarantee is determined by multiplying the coverage level times the approved yield times the projected price. Since IP only provides coverage for reductions in price, the same guarantee is always used to calculate premiums and losses.

Under the IIP plan of insurance, the guarantee is the coverage level times the indexed approved yield (the producer's individual yield indexed against the county yield) times the projected price. Since IP only provides coverage for reductions in price, the same guarantee is always used to calculate premiums and replant payments, prevented planting payments and indemnities.

For the revised Basic Provisions and Crop Provisions, FCIC proposes that, for crops for which revenue protection is available, if the producer selects revenue protection, the revenue guarantee used to calculate premium, replant payment and any prevented planting payment is the approved yield times the coverage level times the projected price. Since the policy will cover both increases and decreases in price, to determine the guarantee for the purposes of establishing an indemnity, the final revenue guarantee will be calculated by multiplying the approved yield times the coverage level times the higher of the projected price or harvest price, unless the harvest price exclusion option is selected. If the harvest price exclusion option is selected, the revenue guarantee used to calculate premium will be used to calculate any indemnity.

If the producer selects yield protection, the guarantee for the purposes of establishing the premium and calculating any replanting payment, prevented planting payment, and indemnity will be based on the approved yield times the coverage level times the projected price.

For crops for which revenue protection is not available, the guarantee for the purposes of establishing the premium and calculating any replanting payment, prevented planting payment, and indemnity will continue to be based on the price elections or amounts of insurance, if applicable, determined by FCIC.

e. Production to Count and Indemnities

For APH, production to count is the amount of appraised and harvested production at the time of loss, adjusted for any quality losses, as applicable. Under the APH plan of insurance, an indemnity is calculated by subtracting the production to count from the production guarantee. If the production to count is less than the guarantee, an indemnity will be paid that is the difference between the guarantee and the production to count times the price election selected by the producer times the producer's share.

For CRC, production to count is the amount of appraised and harvested production at the time of loss, adjusted for any quality losses, as applicable. Under the CRC plan of insurance, an indemnity is calculated by subtracting the value of the production to count (production to count times the harvest price) from the final guarantee and multiplying the result by the producer's share.

For RA, production to count is the amount of appraised and harvested production at the time of loss, adjusted for any quality losses, as applicable. Under the RA plan of insurance, an indemnity is calculated by subtracting the value of production to count (production to count times the fall harvest price) from the revenue

guarantee and multiplying the result by the producer's share.

For IP and IIP, production to count is the amount of appraised and harvested production at the time of loss, adjusted for any quality losses, as applicable. Under IP and IIP, the indemnity is calculated by subtracting the value of the production to count (total production to count times the harvest price) from the amount of protection and multiplying the result by the producer's share.

For the revised Basic Provisions and Crop Provisions, FCIC proposes that for crops for which revenue protection is available and selected, production to count is the amount of appraised and harvested production at the time of loss, adjusted for any quality losses, as applicable. FCIC proposes that an indemnity is calculated by subtracting the value of the production to count (production to count times the harvest price) from the revenue protection guarantee, multiplied by the producer's share.

FCIC proposes that for crops for which revenue protection is available but yield protection is selected, production to count is the amount of appraised and harvested production at the time of loss, adjusted for any quality losses, as applicable. Further, FCIC proposes that an indemnity is calculated by subtracting the value of the production to count (production to count times the projected price) from the yield protection guarantee. The yield protection guarantee is based on the projected price.

f. Rating and Premium Subsidy

For APH, the premium is determined to be an amount necessary to cover the anticipated losses and a reasonable reserve. Premium covers only the anticipated losses associated with the loss of production. The premium subsidy is the portion of the total premium paid by the government and is in the amount established in section 508(e) of the Act.

For CRC, the premium rate is determined by using the premium rate for the APH plan of insurance with an additional rate necessary to cover the anticipated losses associated with the risk that the harvest price will exceed the base price and guarantees will be adjusted when calculating losses. The premium subsidy is the portion of the total premium paid by the government and is in the amount established in section 508(e) of the Act.

RA premium rates are calculated by a rating model incorporating the variability and correlation of yield and price. When the fall harvest price option is selected by the producer an additional premium rate is charged to cover the risk that the harvest price will exceed the projected price and guarantees will be adjusted when calculating losses. The premium subsidy is the portion of the total premium paid by the government and is in the amount established in section 508(e) of the Act.

IP and IIP premium rates are calculated by a rating model incorporating the variability of yield and price. The premium subsidy is the portion of the total premium paid by the government and is in the amount established in section 508(e) of the Act.

For the revised Basic Provisions and Crop Provisions, for revenue protection, premium rates are calculated by a rating model incorporating the variability and correlation of yield and price. For yield protection, premium rates are calculated the same as the APH policy. The premium subsidy is the portion of the total premium paid by the government and is in the amount established in section 508(e) of the Act.

g. Maximum Price Movement

With respect to changes in the value of the commodity that can occur during the insurance period, some policies contained limitations on the amount of price change that would be covered under the policy. This restriction was added because some markets were volatile and there needed to be a mechanism to measure the risk for actuarially sound rating. For instance, if the base price was $4.30 for soybeans and the market price at the time of harvest was $8.00, if the maximum price movement allowed is $3.00, the harvest price would be $7.30.

The maximum price movement was not applicable to APH because there is no revenue component to the coverage. Only yield risk is covered.

For CRC, the maximum price movement allowed under the policy was $1.50 per bushel for corn and grain sorghum, $3.00 per bushel for soybeans, $2.00 per bushel for wheat, $0.05 per pound for rice, and $0.70 per pound for cotton.

RA, IP and IIP did not contain a maximum price movement.

For the revised Basic Provisions and Crop Provisions, FCIC proposes that the harvest price will not exceed 160 percent of the projected price. However, this percentage will be contained in the Commodity Exchange Price Provisions to permit an expedited adjustment if necessary. Any adjustments will be made prior to the contract change date.

h. Exclusions and Availability

APH only provides protection against loss of yield due to a named insured peril. The hail and fire exclusion is available, which permits producers to exclude these perils from their APH policy and obtain private commercially available insurance. The premium rate for the APH policy is reduced to reflect the exclusion of these perils. Coverage may be precluded in certain instances, such as losses due to poor farming practices and other uninsured causes of loss such as negligence. High-risk land is eligible for coverage and written agreements are available. APH is available for most major commodities.

The CRC policy provides insurance protection for unavoidable loss of revenue due to insured causes of loss, including market price changes. Coverage may be precluded in certain instances, such as losses due to poor farming practices and other uninsured causes of loss such as negligence. The hail and fire exclusion is not available. High-risk land is eligible for coverage and written agreements are available. CRC is currently available for wheat, rice, cotton, corn, grain sorghum, and soybeans in all counties where the APH program is available.

The RA policy provides insurance protection for unavoidable loss of revenue due to insured causes of loss, including market price changes. Coverage may be precluded in certain instances, such as losses due to poor farming practices and other uninsured causes of loss such as negligence. The hail and fire exclusion is not available. High-risk land is eligible for coverage and written agreements are limited in availability. RA is currently available for wheat, canola and rapeseed, rice, cotton, corn, sunflowers, soybeans, barley and malting barley in selected states.

The IP and IIP policies provide insurance protection for unavoidable loss of revenue due to insured causes of loss, including reduced market prices. Coverage may be precluded in certain instances, such as losses due to poor farming practices and other uninsured causes of loss such as negligence. The hail and fire exclusion is not available. High-risk land is not eligible for coverage and written agreements are not available. IP is currently available for wheat, cotton, corn, grain sorghum, soybeans, barley and malting barley in selected states. IIP is available for corn in Maryland, New York, North Carolina, and Pennsylvania and soybeans in Maryland and North Carolina.

In the revised Basic Provisions and Crop Provisions, FCIC proposes to provide insurance protection for loss of

revenue due to loss of yield or changes in the market price resulting from insured causes of loss. Market price fluctuations will be presumed to be from insured causes of loss unless there is specific evidence that such fluctuation was caused by an uninsured cause of loss, such as quarantine or terrorist attack. Coverage may be precluded in certain instances, such as losses due to poor farming practices and other uninsured causes of loss such as negligence. The hail and fire exclusion is available. High-risk land is eligible for coverage and written agreements are also available. Revenue protection will be provided for those crops and counties where CRC, RA, IP and IIP were available, except for sunflowers.

4. Commodity Exchange Price Provisions

FCIC proposes that the Commodity Exchange Price Provisions be available for public inspection on RMA's Web site at *http://www.rma.usda.gov/,* or a successor Web site, by the contract change date and will also be available in the agent's office. The Commodity Exchange Price Provisions will not be published in the Code of Federal Regulations. However, FCIC would like comments on the Commodity Exchange Price Provisions and, therefore, has included its text below.

Commodity Exchange Price Provisions of Insurance; 2006 and Succeeding Crop Years

1. Definitions

Additional daily settlement price—Daily settlement prices for full active trading days based on the contract immediately prior and immediately following the appropriate commodity contract, or the contract immediately prior to the appropriate contract, provided the substitute contract(s) are within the same crop year. These prices are used to establish the projected and harvest price when at least 8 average daily settlement prices are not available.

Average daily settlement price—The sum of all daily settlement prices established on full active trading days, as specified in the applicable insured crop's projected price or harvest price definition, divided by the total number of full active trading days included in the sum. The average must include a minimum of 8 prices established on full active trading days. If there is not a minimum of 8 prices established on full active trading days for the applicable contract months specified for the insured crop in paragraph 3, additional daily settlement prices will be used to establish the average daily settlement price until there are 8 prices established on full active trading days.

CBOT—Chicago Board of Trade.

CME—Chicago Mercantile Exchange.

Full active trading day—Any day on which the relevant market is open during all regular trading hours for the relevant futures contract, and there are at least 25 open interest contracts on the relevant futures contract.

Harvest Price—Defined in section 3.

KCBT—Kansas City Board of Trade.

MGE—Minneapolis Grain Exchange.

National Agricultural Statistics Service (NASS)—An agency within USDA.

NYBT—New York Board of Trade.

Projected Price—Defined in section 3.

USDA—United States Department of Agriculture.

WCE—Winnipeg Commodity Exchange.

2. Price Determinations

(a) In accordance with section 1 of the Common Crop Insurance Policy Basic Provisions, these Commodity Exchange Price Provisions specify how and when the projected price and harvest price will be determined by crop.

(b) If revenue protection is available for the crop, average daily settlement prices will be used to determine:

(1) The projected price and harvest price for insured crops for which revenue protection is selected; or

(2) The projected price for insured crops for which yield protection is selected.

(c) Additional daily settlement prices will be derived beginning with the latest date defined by the applicable projected price or harvest price definition not qualifying as a full active trading day.

(d) RMA reserves the right to omit any daily settlement price or additional daily settlement price if market conditions are different than those used to rate or price revenue protection (For example, the trading hits the limits imposed by the Commodity Exchange).

(e) For the projected price, if the average daily settlement price cannot be calculated by the procedures outlined in these price provisions, no revenue protection coverage will be available.

(1) If revenue protection coverage is not available, notice will be provided on the Risk Management Agency Web site at *http://www.rma.usda.gov/* by the date specified in the applicable projected price definition.

(2) Yield protection may still be obtained for the crop by making application by the appropriate sales closing date or, for revenue protection policies that were in effect for the previous crop year, the coverage under such policy will automatically revert to yield protection. In such instances, the projected price will be established by RMA and released by the date specified in the applicable projected price definition.

(f) Projected and harvest prices will not be used to establish the price election for those crops for which revenue protection is not available.

3. Projected Price/Harvest Price

The following projected price and harvest price definitions by crop and sales closing date are defined in accordance with section 1 of the Common Crop Insurance Policy Basic Provisions. Notice of price release will be provided on RMA's Web site at *http://www.rma.usda.gov/* by the date specified in the projected price and harvest definitions listed below.

Barley (0091)

For counties with insurable types having a September 30 sales closing date:

Projected price—The pre-harvest year's average daily settlement price for the projected price discovery period for the harvest year's futures contract, as shown in the table below, rounded to the nearest whole cent, multiplied by .806, and rounded to the nearest whole cent. The projected price will be released by September 20 of the pre-harvest year.

Harvest price—The harvest year's average daily settlement price for the harvest price discovery period for the harvest year's futures contract, as shown in the table below, rounded to the nearest whole cent, multiplied by .806, and rounded to the nearest whole cent. The harvest price will be released within 5 days following the end of the harvest price discovery period. In no case may the harvest price exceed 160 percent of the projected price.

BILLING CODE 3410–08–P

BARLEY - September 30 Sales Closing Date					Projected Price Discovery Period		Harvest Price Discovery Period	
State	Insured Type	Commodity Exchange	Commodity	Contract Month	Beginning Date	Ending Date	Beginning Date	Ending Date
Colorado	Winter	CBOT	Corn	July	Sep 1	Sep 15	Jun 1	Jun 30
Delaware	Winter	CBOT	Corn	July	Sep 1	Sep 15	Jun 1	Jun 30
Georgia	No Type Specified	CBOT	Corn	July	Sep 1	Sep 15	Jun 1	Jun 30
Idaho	Winter w/ WCE	CBOT	Corn	September	Sep 1	Sep 15	Aug 1	Aug 31
Illinois	No Type Specified	CBOT	Corn	July	Sep 1	Sep 15	Jun 1	Jun 30
Indiana	No Type Specified	CBOT	Corn	July	Sep 1	Sep 15	Jun 1	Jun 30
Kansas	Winter	CBOT	Corn	July	Sep 1	Sep 15	Jun 1	Jun 30
Kentucky	No Type Specified	CBOT	Corn	July	Sep 1	Sep 15	Jun 1	Jun 30
Maryland	Winter	CBOT	Corn	July	Sep 1	Sep 15	Jun 1	Jun 30
Missouri	No Type Specified	CBOT	Corn	July	Sep 1	Sep 15	Jun 1	Jun 30
New Jersey	Winter	CBOT	Corn	July	Sep 1	Sep 15	Jun 1	Jun 30
New Mexico	No Type Specified	CBOT	Corn	July	Sep 1	Sep 15	Jun 1	Jun 30
New York	Winter	CBOT	Corn	September	Sep 1	Sep 15	Jul 1	Jul 31
North Carolina	No Type Specified	CBOT	Corn	July	Sep 1	Sep 15	Jun 1	Jun 30
Ohio	No Type Specified	CBOT	Corn	July	Sep 1	Sep 15	Jun 1	Jun 30
Oklahoma	No Type Specified	CBOT	Corn	July	Sep 1	Sep 15	Jun 1	Jun 30
Oregon	Winter w/ WCE	CBOT	Corn	September	Sep 1	Sep 15	Aug 1	Aug 31
Pennsylvania	Winter	CBOT	Corn	September	Sep 1	Sep 15	Jul 1	Jul 31
South Carolina	No Type Specified	CBOT	Corn	July	Sep 1	Sep 15	Jun 1	Jun 30
Tennessee	No Type Specified	CBOT	Corn	July	Sep 1	Sep 15	Jun 1	Jun 30
Texas	No Type Specified	CBOT	Corn	July	Sep 1	Sep 15	Jun 1	Jun 30
Virginia	No Type Specified	CBOT	Corn	July	Sep 1	Sep 15	Jun 1	Jun 30
Washington	Winter w/ WCE	CBOT	Corn	September	Sep 1	Sep 15	Aug 1	Aug 31
West Virginia	No Type Specified	CBOT	Corn	September	Sep 1	Sep 15	Jul 1	Jul 31

Barley (0091)

For counties with insurable types having an October 31 sales closing date:

Projected price—The pre-harvest year's average daily settlement price for the projected price discovery period for the harvest year's futures contract, as shown in the table below, rounded to the nearest whole cent, multiplied by .806, and rounded to the nearest whole cent. The projected price will be released by October 21 of the pre-harvest year.

Harvest price—The harvest year's average daily settlement price for the harvest price discovery period for the harvest year's futures contract, as shown in the table below, rounded to the nearest whole cent, multiplied by .806, and rounded to the nearest whole cent. The harvest price will be released within 5 days following the end of the harvest price discovery period. In no case may the harvest price exceed 160 percent of the projected price.

BARLEY - October 31 Sales Closing Date					Projected Price Discovery Period		Harvest Price Discovery Period	
State	Insured Type	Commodity Exchange	Commodity	Contract Month	Beginning Date	Ending Date	Beginning Date	Ending Date
Arizona	No Type Specified	CBOT	Corn	July	Oct 1	Oct 15	Jun 1	Jun 30
California	No Type Specified	CBOT	Corn	July	Oct 1	Oct 15	Jun 1	Jun 30
Nevada	Winter	CBOT	Corn	September	Oct 1	Oct 15	Aug 1	Aug 31
Utah	Winter	CBOT	Corn	September	Oct 1	Oct 15	Aug 1	Aug 31

Barley (0091)

For counties with insurable types having a March 15 sales closing date:

Projected price—The harvest year's average daily settlement price for the projected price discovery period for the harvest year's futures contract, as shown in the table below, rounded to the nearest whole cent, multiplied by .806, and rounded to the nearest whole cent. The projected price will be released by March 5 of the pre-harvest year. The projected price for Alaska is multiplied by the 10-year average of the ratio of NASS Alaska barley prices to NASS U.S. barley prices, and rounded to the nearest whole cent.

Harvest price—The harvest year's average daily settlement price for the harvest price discovery period for the harvest year's futures contract, as shown in the table below, rounded to the nearest whole cent, multiplied by .806, and rounded to the nearest whole cent. The harvest price will be released within 5 days following the end of the harvest price discovery period. In no case may the harvest price exceed 160 percent of the projected price. The harvest price for Alaska is multiplied by the 10-year average of the ratio of NASS Alaska barley prices to NASS U.S. barley prices, and rounded to the nearest whole cent.

BARLEY - March 15 Sales Closing Date					Projected Price Discovery Period		Harvest Price Discovery Period	
State	Insured Type	Commodity Exchange	Commodity	Contract Month	Beginning Date	Ending Date	Beginning Date	Ending Date
Alaska*	Spring	CBOT	Corn	December	Feb 14	Feb 28	Sep 1	Sep 30
California	Spring	CBOT	Corn	December	Feb 14	Feb 28	Sep 1	Sep 30
Colorado	Spring	CBOT	Corn	September	Feb 14	Feb 28	Aug 1	Aug 31
Colorado	No Type Specified	CBOT	Corn	September	Feb 14	Feb 28	Aug 1	Aug 31
Idaho	Winter w/o WCE	CBOT	Corn	September	Sep 1	Sep 15	Aug 1	Aug 31
Idaho	Spring	CBOT	Corn	September	Feb 14	Feb 28	Aug 1	Aug 31
Idaho	No Type Specified	CBOT	Corn	September	Feb 14	Feb 28	Aug 1	Aug 31
Iowa	Spring	CBOT	Corn	September	Feb 14	Feb 28	Jul 1	Jul 31
Kansas	Spring	CBOT	Corn	July	Feb 14	Feb 28	Jun 1	Jun 30
Maine	Spring	CBOT	Corn	December	Feb 14	Feb 28	Aug 1	Aug 31
Michigan	Spring	CBOT	Corn	September	Feb 14	Feb 28	Aug 1	Aug 31
Minnesota	Spring	CBOT	Corn	September	Feb 14	Feb 28	Aug 1	Aug 31
Montana	Spring	CBOT	Corn	September	Feb 14	Feb 28	Aug 1	Aug 31
Nebraska	No Type Specified	CBOT	Corn	September	Feb 14	Feb 28	Jul 1	Jul 31
Nevada	No Type Specified	CBOT	Corn	September	Feb 14	Feb 28	Aug 1	Aug 31
Nevada	Spring	CBOT	Corn	September	Feb 14	Feb 28	Aug 1	Aug 31
New Mexico	Spring	CBOT	Corn	July	Feb 14	Feb 28	Jun 1	Jun 30
New York	Spring	CBOT	Corn	September	Feb 14	Feb 28	Aug 1	Aug 31
North Dakota	Spring	CBOT	Corn	September	Feb 14	Feb 28	Aug 1	Aug 31
Oregon	Winter w/o WCE	CBOT	Corn	September	Sep 1	Sep 15	Aug 1	Aug 31
Oregon	Spring	CBOT	Corn	September	Feb 14	Feb 28	Aug 1	Aug 31
Oregon	No Type Specified	CBOT	Corn	September	Feb 14	Feb 28	Aug 1	Aug 31
Pennsylvania	Spring	CBOT	Corn	September	Feb 14	Feb 28	Aug 1	Aug 31
South Dakota	Spring	CBOT	Corn	September	Feb 14	Feb 28	Aug 1	Aug 31
Utah	No Type Specified	CBOT	Corn	September	Feb 14	Feb 28	Aug 1	Aug 31
Utah	Spring	CBOT	Corn	September	Feb 14	Feb 28	Aug 1	Aug 31
Vermont	Spring	CBOT	Corn	September	Feb 14	Feb 28	Aug 1	Aug 31
Washington	Winter w/o WCE	CBOT	Corn	September	Sep 1	Sep 15	Aug 1	Aug 31
Washington	Spring	CBOT	Corn	September	Feb 14	Feb 28	Aug 1	Aug 31
Washington	No Type Specified	CBOT	Corn	September	Feb 14	Feb 28	Aug 1	Aug 31
Wisconsin	Spring	CBOT	Corn	September	Feb 14	Feb 28	Aug 1	Aug 31
Wyoming	Spring	CBOT	Corn	September	Feb 14	Feb 28	Aug 1	Aug 31

Canola/Rapeseed (0015)

For counties with insurable types having an August 31 sales closing date:

Canola

Projected price—The pre-harvest year's average daily settlement price for the projected price discovery period for the harvest year's futures contract, as shown in the table below, divided by 2,205. This factor converts the WCE price from Canadian dollars per metric ton to Canadian dollars per pound. To convert to U.S. dollars, multiply the Canadian price per pound by the August 2–16 pre-harvest year's average daily settlement price for the CME June Canadian dollar futures contract for the harvest year, rounded to the nearest one-tenth of a cent. The projected price will be released by August 21 of the pre-harvest year.

Harvest price—The harvest year's average daily settlement price for the harvest price discovery period for the harvest year's futures contract, as shown in the table below, divided by 2,205. This factor converts the WCE price from Canadian dollars per metric ton to Canadian dollars per pound. To convert into U.S. dollars, multiply the Canadian price per pound by the May average daily settlement price for the CME June Canadian dollar futures contract for the harvest year, rounded to the nearest one-tenth of a cent. The harvest price will be released within 5 days following the end of the harvest price discovery period. In no case may the harvest price exceed 160 percent of the projected price.

CANOLA - August 31 Sales Closing Date					Projected Price Discovery Period		Harvest Price Discovery Period	
State	Insured Type	Commodity Exchange	Commodity	Contract Month	Beginning Date	Ending Date	Beginning Date	Ending Date
Idaho	Fall Oleic Canola	WCE	Canola	November	Aug 1	Aug 15	Aug 1	Aug 31
Oregon	Fall Oleic Canola	WCE	Canola	November	Aug 1	Aug 15	Aug 1	Aug 31
Washington	Fall Oleic Canola	WCE	Canola	November	Aug 1	Aug 15	Aug 1	Aug 31

Rapeseed

Rapeseed is not traded on any Commodity Exchange. However, revenue protection is still considered to be available and the projected and harvest prices will be established by FCIC in accordance with this CEPP. The result of this action will allow the producer to insure both canola and rapeseed under revenue protection. With both canola and rapeseed insured under revenue protection the producer may qualify for a whole-farm unit. However, rapeseed will not have the benefit of the projected price and the harvest price moving as the price on the Commodity Exchange moves for canola.

Projected price—A price established by FCIC and released by June 30 of the pre-harvest year.

Harvest price—A price set by FCIC that is equal to the projected price.

Canola/Rapeseed (0015)

For counties with insurable types having a September 30 sales closing date:

Canola

Projected price—The pre-harvest year's average daily settlement price for the projected price discovery period for the harvest year's futures contract, as shown in the table below, divided by 2,205. This factor converts the WCE price from Canadian

dollars per metric ton to Canadian dollars per pound. To convert into U.S. dollars, multiply the Canadian price per pound by the September 1–15 pre-harvest year's average daily settlement price for the CME June Canadian dollar futures contract for the harvest year, rounded to the nearest one-tenth of a cent. The projected price will be released by September 20 of the pre-harvest year.

Harvest price—The harvest year's average daily settlement price for the harvest price discovery period for the harvest year's futures contract, as shown in the table below, divided by 2,205. This factor converts the WCE price from Canadian dollars per metric ton to Canadian dollars per pound. To convert into U.S. dollars, multiply the Canadian price per pound by the May average daily settlement price for the CME June Canadian dollar futures contract for the harvest year, rounded to the nearest one-tenth of a cent. The harvest price will be released within 5 days following the end of the harvest price discovery period. In no case may the harvest price exceed 160 percent of the projected price.

CANOLA - September 30 Sales Closing Date					Projected Price Discovery Period		Harvest Price Discovery Period	
State	Insured Type	Commodity Exchange	Commodity	Contract Month	Beginning Date	Ending Date	Beginning Date	Ending Date
Alabama	Fall Seeded	WCE	Canola	July	Sep 1	Sep 15	May 1	May 31
Georgia	Fall Seeded	WCE	Canola	July	Sep 1	Sep 15	May 1	May 31

Rapeseed

Rapeseed is not traded on any Commodity Exchange. However, revenue protection is still considered to be available and the projected and harvest prices will be established by FCIC in accordance with this CEPP. The result of this action will allow the producer to insure both canola and rapeseed under revenue protection. With both canola and rapeseed insured under revenue protection the producer may qualify for a whole-farm unit. However, rapeseed will not have the benefit of the projected price and the harvest price moving as the price on the Commodity Exchange moves for canola.

Projected price—A price established by FCIC and released by June 30 of the pre-harvest year.

Harvest price—A price set by FCIC that is equal to the projected price.

Canola/Rapeseed (0015)

For counties with insurable types having a March 15 sales closing date:

Canola

Projected price—The harvest year's average daily settlement price for the projected price discovery period for the harvest year's futures contract, as shown in the table below, divided by 2,205. This factor converts the WCE price from Canadian dollars per metric ton to Canadian dollars per pound. To convert into U.S. dollars, multiply the Canadian price per pound by the February 14–28 average daily settlement price for the harvest year's CME September Canadian dollar futures contract for the harvest year, rounded to the nearest one-tenth of a cent. The projected price will be released by March 5 of the harvest year.

Harvest price—The harvest year's average daily settlement price for the harvest price discovery period for the harvest year's futures contract, as shown in the table below, divided by 2,205. This factor converts the WCE price from Canadian dollars per metric ton to Canadian dollars per pound. To convert into U.S. dollars, multiply the Canadian price per pound by the September average daily settlement price for the CME September Canadian dollar futures contract for the harvest year, rounded to the nearest one-tenth of a cent. The harvest price will be released within 5 days following the end of the harvest price discovery period. In no case may the harvest price exceed 160 percent of the projected price.

CANOLA - March 15 Sales Closing Date					Projected Price Discovery Period		Harvest Price Discovery Period	
State	Insured Type	Commodity Exchange	Commodity	Contract Month	Beginning Date	Ending Date	Beginning Date	Ending Date
Idaho	Spring Oleic Canola	WCE	Canola	November	Feb 14	Feb 28	Sep 1	Sep 30
Minnesota	Spring	WCE	Canola	November	Feb 14	Feb 28	Sep 1	Sep 30
Montana	Spring	WCE	Canola	November	Feb 14	Feb 28	Sep 1	Sep 30
North Dakota	Spring	WCE	Canola	November	Feb 14	Feb 28	Sep 1	Sep 30
Oregon	Spring Oleic Canola	WCE	Canola	November	Feb 14	Feb 28	Sep 1	Sep 30
Washington	Spring Oleic Canola	WCE	Canola	November	Feb 14	Feb 28	Sep 1	Sep 30

Rapeseed

Rapeseed is not traded on any Commodity Exchange. However, revenue protection is still considered to be available and the projected and harvest prices will be established by FCIC in accordance with this CEPP. The result of this action will allow the producer to insure both canola and rapeseed under revenue protection. With both canola and rapeseed insured under revenue protection the producer may qualify for a whole-farm unit. However, rapeseed will not have the benefit of the projected price and the harvest price moving as the price on the Commodity Exchange moves for canola.

Projected price—A price established by FCIC and released by June 30 of the pre-harvest year.

Harvest price—A price set by FCIC that is equal to the projected price.

Corn (0041)

For counties with insurable types having a January 31 sales closing date:

Grain Type

Projected price—The harvest year's average daily settlement price for the projected price discovery period for the harvest year's futures contract, as shown in the table below, rounded to the nearest whole cent. The projected price will be released by January 21 of the harvest year.

Harvest price—The harvest year's average daily settlement price for the harvest price discovery period for the harvest year's futures contract, as shown in the table below, rounded to the nearest whole cent. The harvest price will be released within 5 days following the end of the harvest price discovery period. In no case may the harvest price exceed 160 percent of the projected price.

					Projected Price Discovery Period		Harvest Price Discovery Period	
State	Insured Type	Commodity Exchange	Commodity	Contract Month	Beginning Date	Ending Date	Beginning Date	Ending Date
Texas	Grain	CBOT	Corn	September	Jan 2	Jan 16	Aug 1	Aug 31

Silage Type

Corn for silage is not traded on any Commodity Exchange. However, revenue protection is still considered to be available and the projected and harvest prices will be established by FCIC in accordance with this CEPP. The result of this action will allow the producer to insure both the silage and grain types of corn under revenue protection. With both types of corn insured under revenue protection the producer may qualify for a whole-farm unit. However, corn insured as silage will not have the benefit of the projected price and the harvest price moving as the price on the Commodity Exchange moves for corn for grain.

Projected price—A price established by FCIC and released by November 30 of the pre-harvest year.

Harvest price—A price set by FCIC that is equal to the projected price.

Corn (0041)

Grain Type

For counties with insurable types having a February 15 sales closing date:

Projected price—The harvest year's average daily settlement price for the projected price discovery period for the harvest year's futures contract, as shown in the table below, rounded to the nearest whole cent. The projected price will be released by February 5 of the harvest year.

Harvest price—The harvest year's average daily settlement price for the harvest price discovery period for the harvest year's futures contract, as shown in the table below, rounded to the nearest whole cent. The harvest price will be released within 5 days following the end of the harvest price discovery period. In no case may the harvest price exceed 160 percent of the projected price.

					Projected Price Discovery Period		Harvest Price Discovery Period	
State	Insured Type	Commodity Exchange	Commodity	Contract Month	Beginning Date	Ending Date	Beginning Date	Ending Date
Texas	Grain	CBOT	Corn	December	Jan 17	Jan 31	Sep 1	Sep 30

Silage Type

Corn for silage is not traded on any Commodity Exchange. However, revenue protection is still considered to be available and the projected and harvest prices will be established by FCIC in accordance with this CEPP. The result of this action will allow the producer to insure both the silage and grain types of corn under revenue protection. With both types of corn insured under revenue protection the producer may qualify for a whole-farm unit. However, corn insured as silage will not have the benefit of the projected price and the harvest price moving as the price on the Commodity Exchange moves for corn for grain.

Projected price—A price established by FCIC and released by November 30 of the pre-harvest year.

Harvest price—A price set by FCIC that is equal to the projected price.

Corn (0041)

Grain Type

For counties with insurable types having a February 28 sales closing date:

Projected price—The harvest year's average daily settlement price for the projected price discovery period for the harvest year's futures contract, as shown in the table below, rounded to the nearest whole cent. The projected price will be released by February 18 of the harvest year.

Harvest price—The harvest year's average daily settlement price for the harvest price discovery period for the harvest year's futures contract, as shown in the table below, rounded to the nearest whole cent. The harvest price will be released within 5 days following the end of the harvest price discovery period. In no case may the harvest price exceed 160 percent of the projected price.

					Projected Price Discovery Period		Harvest Price Discovery Period	
State	Insured Type	Commodity Exchange	Commodity	Contract Month	Beginning Date	Ending Date	Beginning Date	Ending Date
Alabama	Grain	CBOT	Corn	December	Jan 30	Feb 13	Sep 1	Sep 30
Arizona	Grain	CBOT	Corn	December	Jan 30	Feb 13	Oct 1	Oct 31
Arkansas	Grain	CBOT	Corn	December	Jan 30	Feb 13	Sep 1	Sep 30
California	Grain	CBOT	Corn	December	Jan 30	Feb 13	Oct 1	Oct 31
Florida	Grain	CBOT	Corn	September	Jan 30	Feb 13	Aug 1	Aug 31
Georgia	Grain	CBOT	Corn	September	Jan 30	Feb 13	Aug 1	Aug 31
Louisiana	Grain	CBOT	Corn	September	Jan 30	Feb 13	Aug 1	Aug 31
Mississippi	Grain	CBOT	Corn	December	Jan 30	Feb 13	Sep 1	Sep 30
North Carolina	Grain	CBOT	Corn	December	Jan 30	Feb 13	Sep 1	Sep 30
South Carolina	Grain	CBOT	Corn	December	Jan 30	Feb 13	Sep 1	Sep 30

Silage Type

Corn for silage is not traded on any Commodity Exchange. However, revenue protection is still considered to be available and the projected and harvest prices will be established by FCIC in accordance with this CEPP. The result of this action will allow the producer to insure both the silage and grain types of corn under revenue protection. With both types of corn insured under revenue protection the producer may qualify for a whole-farm unit. However, corn insured as silage will not have the benefit of the projected price and the harvest price moving as the price on the Commodity Exchange moves for corn for grain.

Projected price— A price established by FCIC and released by November 30 of the pre-harvest year.

Harvest price—A price set by FCIC that is equal to the projected price.

Corn (0041)

Grain Type

For counties with insurable types having a March 15 sales closing date:

Projected price—The harvest year's average daily settlement price for the projected price discovery period for the harvest year's futures contract, as shown in the table below, rounded to the nearest whole cent. The projected price will be released by March 5 of the harvest year.

Harvest price—The harvest year's average daily settlement price for the harvest price discovery period for the harvest year's futures contract, as shown in the table below, rounded to the nearest whole cent. The harvest price will be released within 5 days following the end of the harvest price discovery period. In no case may the harvest price exceed 160 percent of the projected price.

					Projected Price Discovery Period		Harvest Price Discovery Period	
State	Insured Type	Commodity Exchange	Commodity	Contract Month	Beginning Date	Ending Date	Beginning Date	Ending Date
Colorado	Grain	CBOT	Corn	December	Feb 14	Feb 28	Oct 1	Oct 31
Connecticut	Grain	CBOT	Corn	December	Feb 14	Feb 28	Nov 1	Nov 30
Delaware	Grain	CBOT	Corn	December	Feb 14	Feb 28	Oct 1	Oct 31
Idaho	Grain	CBOT	Corn	December	Feb 14	Feb 28	Nov 1	Nov 30
Illinois	Grain	CBOT	Corn	December	Feb 14	Feb 28	Oct 1	Oct 31
Indiana	Grain	CBOT	Corn	December	Feb 14	Feb 28	Oct 1	Oct 31
Iowa	Grain	CBOT	Corn	December	Feb 14	Feb 28	Oct 1	Oct 31
Kansas	Grain	CBOT	Corn	December	Feb 14	Feb 28	Oct 1	Oct 31
Kentucky	Grain	CBOT	Corn	December	Feb 14	Feb 28	Oct 1	Oct 31
Maine	Grain	CBOT	Corn	December	Feb 14	Feb 28	Nov 1	Nov 30
Maryland	Grain	CBOT	Corn	December	Feb 14	Feb 28	Oct 1	Oct 31
Massachusetts	Grain	CBOT	Corn	December	Feb 14	Feb 28	Nov 1	Nov 30
Michigan	Grain	CBOT	Corn	December	Feb 14	Feb 28	Nov 1	Nov 30
Minnesota	Grain	CBOT	Corn	December	Feb 14	Feb 28	Oct 1	Oct 31
Missouri	Grain	CBOT	Corn	December	Feb 14	Feb 28	Oct 1	Oct 31
Montana	Grain	CBOT	Corn	December	Feb 14	Feb 28	Oct 1	Oct 31
Nebraska	Grain	CBOT	Corn	December	Feb 14	Feb 28	Oct 1	Oct 31
New Hampshire	Grain	CBOT	Corn	December	Feb 14	Feb 28	Nov 1	Nov 30
New Jersey	Grain	CBOT	Corn	December	Feb 14	Feb 28	Nov 1	Nov 30
New Mexico	Grain	CBOT	Corn	December	Feb 14	Feb 28	Oct 1	Oct 31
New York	Grain	CBOT	Corn	December	Feb 14	Feb 28	Nov 1	Nov 30
North Dakota	Grain	CBOT	Corn	December	Feb 14	Feb 28	Oct 1	Oct 31
Ohio	Grain	CBOT	Corn	December	Feb 14	Feb 28	Oct 1	Oct 31
Oklahoma	Grain	CBOT	Corn	December	Feb 14	Feb 28	Sep 1	Sep 30
Oregon	Grain	CBOT	Corn	December	Feb 14	Feb 28	Nov 1	Nov 30
Pennsylvania	Grain	CBOT	Corn	December	Feb 14	Feb 28	Nov 1	Nov 30
Rhode Island	Grain	CBOT	Corn	December	Feb 14	Feb 28	Nov 1	Nov 30
South Dakota	Grain	CBOT	Corn	December	Feb 14	Feb 28	Oct 1	Oct 31
Tennessee	Grain	CBOT	Corn	December	Feb 14	Feb 28	Oct 1	Oct 31
Texas	Grain	CBOT	Corn	December	Feb 14	Feb 28	Sep 1	Sep 30
Utah	Grain	CBOT	Corn	December	Feb 14	Feb 28	Oct 1	Oct 31
Vermont	Grain	CBOT	Corn	December	Feb 14	Feb 28	Nov 1	Nov 30
Virginia	Grain	CBOT	Corn	December	Feb 14	Feb 28	Oct 1	Oct 31
Washington	Grain	CBOT	Corn	December	Feb 14	Feb 28	Nov 1	Nov 30
West Virginia	Grain	CBOT	Corn	December	Feb 14	Feb 28	Oct 1	Oct 31
Wisconsin	Grain	CBOT	Corn	December	Feb 14	Feb 28	Oct 1	Oct 31
Wyoming	Grain	CBOT	Corn	December	Feb 14	Feb 28	Oct 1	Oct 31

Silage Type

Corn for silage is not traded on any Commodity Exchange. However, revenue protection is still considered to be available and the projected and harvest prices will be established by FCIC in accordance with this CEPP. The result of this action will allow the producer to insure both the silage and grain types of corn under revenue protection. With both types of corn insured under revenue protection the producer may qualify for a whole-farm unit. However, corn insured as silage will not have the benefit of the projected price and the harvest price moving as the price on the Commodity Exchange moves for corn for grain.

Projected price—A price established by FCIC and released by November 30 of the pre-harvest year.

Harvest price—A price set by FCIC that is equal to the projected price.

Cotton (0021)

For counties with insurable types having a January 31 sales closing date:

Projected price—The harvest year's average daily settlement price for the projected price discovery period for the harvest year's futures contract, as shown in the table below, rounded to the nearest whole cent. The projected price will be released by January 21 of the harvest year.

Harvest price—The harvest year's average daily settlement price for the harvest price discovery period for the harvest year's futures contract, as shown in the table below, rounded to the nearest whole cent. The harvest price will be released within 5 days following the end of the harvest price discovery period. In no case may the harvest price exceed 160 percent of the projected price.

					Projected Price Discovery Period		Harvest Price Discovery Period	
State	Insured Type	Commodity Exchange	Commodity	Contract Month	Beginning Date	Ending Date	Beginning Date	Ending Date
Texas	No Type Specified	NYBT	Cotton	October	Jan 2	Jan 16	Sep 1	Sep 30

Cotton (0021)

For counties with insurable types having a February 28 sales closing date:

Projected price—The harvest year's average daily settlement price for the projected price discovery period for the harvest year's futures contract, as shown in the table below, rounded to the nearest whole cent. The projected price will be released by February 18 of the harvest year.

Harvest price—The harvest year's average daily settlement price for the harvest price discovery period for the harvest year's futures contract, as shown in the table below, rounded to the nearest whole cent. The harvest price will be released within 5 days following the end of the harvest price discovery period. In no case may the harvest price exceed 160 percent of the projected price.

					Projected Price Discovery Period		Harvest Price Discovery Period	
State	Insured Type	Commodity Exchange	Commodity	Contract Month	Beginning Date	Ending Date	Beginning Date	Ending Date
Alabama	No Type Specified	NYBT	Cotton	December	Jan 30	Feb 13	Oct 1	Oct 31
Arizona	No Type Specified	NYBT	Cotton	December	Jan 30	Feb 13	Oct 1	Oct 31
Arkansas	No Type Specified	NYBT	Cotton	December	Jan 30	Feb 13	Oct 1	Oct 31
California	No Type Specified	NYBT	Cotton	December	Jan 30	Feb 13	Oct 1	Oct 31
Florida	No Type Specified	NYBT	Cotton	December	Jan 30	Feb 13	Oct 1	Oct 31
Georgia	No Type Specified	NYBT	Cotton	December	Jan 30	Feb 13	Oct 1	Oct 31
Louisiana	No Type Specified	NYBT	Cotton	December	Jan 30	Feb 13	Oct 1	Oct 31
Mississippi	No Type Specified	NYBT	Cotton	December	Jan 30	Feb 13	Oct 1	Oct 31
North Carolina	No Type Specified	NYBT	Cotton	December	Jan 30	Feb 13	Oct 1	Oct 31
South Carolina	No Type Specified	NYBT	Cotton	December	Jan 30	Feb 13	Oct 1	Oct 31
Texas	No Type Specified	NYBT	Cotton	December	Jan 30	Feb 13	Oct 1	Oct 31

Cotton (0021)

For counties with insurable types having a March 15 sales closing date:

Projected price—The harvest year's average daily settlement price for the projected price discovery period for the harvest year's futures contract, as shown in the table below, rounded to the nearest whole cent. The projected price will be released by March 5 of the harvest year.

Harvest price—The harvest year's average daily settlement price for the harvest price discovery period for the harvest year's futures contract, as shown in the table below, rounded to the nearest whole cent. The harvest price will be released within 5 days following the end of the harvest price discovery period. In no case may the harvest price exceed 160 percent of the projected price.

					Projected Price Discovery Period		Harvest Price Discovery Period	
State	Insured Type	Commodity Exchange	Commodity	Contract Month	Beginning Date	Ending Date	Beginning Date	Ending Date
Kansas	No Type Specified	NYBT	Cotton	December	Feb 14	Feb 28	Nov 1	Nov 30
Missouri	No Type Specified	NYBT	Cotton	December	Feb 14	Feb 28	Oct 1	Oct 31
New Mexico	No Type Specified	NYBT	Cotton	December	Feb 14	Feb 28	Nov 1	Nov 30
Oklahoma	No Type Specified	NYBT	Cotton	December	Feb 14	Feb 28	Nov 1	Nov 30
Tennessee	No Type Specified	NYBT	Cotton	December	Feb 14	Feb 28	Oct 1	Oct 31
Texas	No Type Specified	NYBT	Cotton	December	Feb 14	Feb 28	Nov 1	Nov 30
Viriginia	No Type Specified	NYBT	Cotton	December	Feb 14	Feb 28	Oct 1	Oct 31

Grain Sorghum (0051)

For counties with insurable types having a January 31 sales closing date:

Projected price—The harvest year's average daily settlement price for the projected price discovery period for the harvest year's futures contract, as shown in the table below, rounded to the nearest whole cent, multiplied by the price percentage relationship between grain sorghum and corn, as determined by RMA based on the harvest year's United States Department of Agriculture (USDA) January estimate of corn and grain sorghum prices, and rounded to the nearest whole cent. The projected price will be released by January 21 of the harvest year.

Harvest price—The harvest year's average daily settlement price for the harvest price discovery period for the harvest year's futures contract, as shown in the table below, rounded to the nearest whole cent, multiplied by the price percentage relationship between grain sorghum and corn, as determined by RMA based on the harvest year's United States Department of Agriculture (USDA) January estimate of corn and grain sorghum prices, and rounded to the nearest whole cent. The harvest price will be released within 5 days following the end of the harvest price discovery period. In no case may the harvest price exceed 160 percent of the projected price.

					Projected Price Discovery Period		Harvest Price Discovery Period	
State	Insured Type	Commodity Exchange	Commodity	Contract Month	Beginning Date	Ending Date	Beginning Date	Ending Date
Texas	No Type Specified	CBOT	Corn	September	Jan 2	Jan 16	Aug 1	Aug 31

Grain Sorghum (0051)

For counties with insurable types having a February 15 sales closing date:

Projected price—The harvest year's average daily settlement price for the projected price discovery period for the harvest year's futures contract, as shown in the table below, rounded to the nearest whole cent, multiplied by the price percentage relationship between grain sorghum and corn, as determined by RMA based on the harvest year's United States Department of Agriculture (USDA) January estimate of corn and grain sorghum prices, and rounded to the nearest whole cent. The projected price will be released by February 5 of the harvest year.

Harvest price—The harvest year's average daily settlement price for the harvest price discovery period for the harvest year's futures contract, as shown in the table below, rounded to the nearest whole cent, multiplied by the price percentage relationship between grain sorghum and corn, as determined by RMA based on the harvest year's United States Department of Agriculture (USDA) January estimate of corn and grain sorghum prices, and rounded to the nearest whole cent. The harvest price will be released within 5 days following the end of the harvest price discovery period. In no case may the harvest price exceed 160 percent of the projected price.

					Projected Price Discovery Period		Harvest Price Discovery Period	
State	Insured Type	Commodity Exchange	Commodity	Contract Month	Beginning Date	Ending Date	Beginning Date	Ending Date
Texas	No Type Specified	CBOT	Corn	September	Jan 2	Jan 16	Aug 1	Aug 31

Grain Sorghum (0051)

For counties with insurable types having a February 28 sales closing date:

Projected price—The harvest year's average daily settlement price for the projected price discovery period for the harvest year's futures contract, as shown in the table below, rounded to the nearest whole cent, multiplied by the price percentage relationship between grain sorghum and corn, as determined by RMA based on the harvest year's United States Department of Agriculture (USDA) January estimate of corn and grain sorghum prices, and rounded to the nearest whole cent. The projected price will be released by February 18 of the harvest year.

Harvest price—The harvest year's average daily settlement price for the harvest price discovery period for the harvest year's futures contract, as shown in the table below, rounded to the nearest whole cent, multiplied by the price percentage relationship between grain sorghum and corn, as determined by RMA based on the harvest year's United States Department of Agriculture (USDA) January estimate of corn and grain sorghum prices, and rounded to the nearest whole cent. The harvest price will be released within 5 days following the end of the harvest price discovery period. In no case may the harvest price exceed 160 percent of the projected price.

					Projected Price Discovery Period		Harvest Price Discovery Period	
State	Insured Type	Commodity Exchange	Commodity	Contract Month	Beginning Date	Ending Date	Beginning Date	Ending Date
Alabama	No Type Specified	CBOT	Corn	December	Jan 30	Feb 13	Oct 1	Oct 31
Arizona	No Type Specified	CBOT	Corn	December	Jan 30	Feb 13	Oct 1	Oct 31
Arkansas	No Type Specified	CBOT	Corn	December	Jan 30	Feb 13	Sep 1	Sep 30
California	No Type Specified	CBOT	Corn	December	Jan 30	Feb 13	Oct 1	Oct 31
Florida	No Type Specified	CBOT	Corn	December	Jan 30	Feb 13	Oct 1	Oct 31
Georgia	No Type Specified	CBOT	Corn	December	Jan 30	Feb 13	Oct 1	Oct 31
Louisiana	No Type Specified	CBOT	Corn	December	Jan 30	Feb 13	Sep 1	Sep 30
Mississippi	No Type Specified	CBOT	Corn	December	Jan 30	Feb 13	Sep 1	Sep 30
North Carolina	No Type Specified	CBOT	Corn	December	Jan 30	Feb 13	Oct 1	Oct 31
South Carolina	No Type Specified	CBOT	Corn	December	Jan 30	Feb 13	Oct 1	Oct 31

Grain Sorghum (0051)

For counties with insurable types having a March 15 sales closing date:

Projected price—The harvest year's average daily settlement price for the projected price discovery period for the harvest year's futures contract, as shown in the table below, rounded to the nearest whole cent, multiplied by the price percentage relationship between grain sorghum and corn, as determined by RMA based on the harvest year's United States Department of Agriculture (USDA) January estimate of corn and grain sorghum prices, and rounded to the nearest whole cent. The projected price will be released by March 5 of the harvest year.

Harvest price—The harvest year's average daily settlement price for the harvest price discovery period for the harvest year's futures contract, as shown in the table below, rounded to the nearest whole cent, multiplied by the price percentage relationship between grain sorghum and corn, as determined by RMA based on the harvest year's United States Department of Agriculture (USDA) January estimate of corn and grain sorghum prices, and rounded to the nearest whole cent. The harvest price will be released within 5 days following the end of the harvest price discovery period. In no case may the harvest price exceed 160 percent of the projected price.

					Projected Price Discovery Period		Harvest Price Discovery Period	
State	Insured Type	Commodity Exchange	Commodity	Contract Month	Beginning Date	Ending Date	Beginning Date	Ending Date
Colorado	No Type Specified	CBOT	Corn	December	Feb 14	Feb 28	Oct 1	Oct 31
Delaware	No Type Specified	CBOT	Corn	December	Feb 14	Feb 28	Oct 1	Oct 31
Illinois	No Type Specified	CBOT	Corn	December	Feb 14	Feb 28	Oct 1	Oct 31
Indiana	No Type Specified	CBOT	Corn	December	Feb 14	Feb 28	Oct 1	Oct 31
Iowa	No Type Specified	CBOT	Corn	December	Feb 14	Feb 28	Oct 1	Oct 31
Kansas	No Type Specified	CBOT	Corn	December	Feb 14	Feb 28	Oct 1	Oct 31
Kentucky	No Type Specified	CBOT	Corn	December	Feb 14	Feb 28	Oct 1	Oct 31
Maryland	No Type Specified	CBOT	Corn	December	Feb 14	Feb 28	Oct 1	Oct 31
Minnesota	No Type Specified	CBOT	Corn	December	Feb 14	Feb 28	Oct 1	Oct 31
Missouri	No Type Specified	CBOT	Corn	December	Feb 14	Feb 28	Oct 1	Oct 31
Nebraska	No Type Specified	CBOT	Corn	December	Feb 14	Feb 28	Oct 1	Oct 31
New Mexico	No Type Specified	CBOT	Corn	December	Feb 14	Feb 28	Oct 1	Oct 31
New York	No Type Specified	CBOT	Corn	December	Feb 14	Feb 28	Oct 1	Oct 31
North Dakota	No Type Specified	CBOT	Corn	December	Feb 14	Feb 28	Oct 1	Oct 31
Ohio	No Type Specified	CBOT	Corn	December	Feb 14	Feb 28	Oct 1	Oct 31
Oklahoma	No Type Specified	CBOT	Corn	December	Feb 14	Feb 28	Oct 1	Oct 31
Pennsylvania	No Type Specified	CBOT	Corn	December	Feb 14	Feb 28	Oct 1	Oct 31
South Dakota	No Type Specified	CBOT	Corn	December	Feb 14	Feb 28	Oct 1	Oct 31
Tennessee	No Type Specified	CBOT	Corn	December	Feb 14	Feb 28	Oct 1	Oct 31
Texas	No Type Specified	CBOT	Corn	December	Feb 14	Feb 28	Sep 1	Sep 30
Virginia	No Type Specified	CBOT	Corn	December	Feb 14	Feb 28	Oct 1	Oct 31
Wisconsin	No Type Specified	CBOT	Corn	December	Feb 14	Feb 28	Oct 1	Oct 31

Rice (0018)

For counties with insurable types having a January 31 sales closing date:

Projected price—The harvest year's average daily settlement price for the projected price discovery period for the harvest year's futures contract, as shown in the table below, rounded to the nearest whole cent. The projected price will be released by January 21 of the harvest year.

Harvest price—The harvest year's average daily settlement price for the harvest price discovery period for the harvest year's futures contract, as shown in the table below, rounded to the nearest whole cent. The harvest price will be released within 5 days following the end of the harvest price discovery period. In no case may the harvest price exceed 160 percent of the projected price.

					Projected Price Discovery Period		Harvest Price Discovery Period	
State	Insured Type	Commodity Exchange	Commodity	Contract Month	Beginning Date	Ending Date	Beginning Date	Ending Date
Texas	No Type Specified	CBOT	Rice	September	Jan 2	Jan 16	Aug 1	Aug 31

Rice (0018)

For counties with insurable types having a February 15 sales closing date:

Projected price—The harvest year's average daily settlement price for the projected price discovery period for the harvest year's futures contract, as shown in the table below, rounded to the nearest whole cent. The projected price will be released by February 5 of the harvest year.

Harvest price—The harvest year's average daily settlement price for the harvest price discovery period for the harvest year's futures contract, as shown in the table below, rounded to the nearest whole cent. The harvest price will be released within 5 days following the end of the harvest price discovery period. In no case may the harvest price exceed 160 percent of the projected price.

					Projected Price Discovery Period		Harvest Price Discovery Period	
State	Insured Type	Commodity Exchange	Commodity	Contract Month	Beginning Date	Ending Date	Beginning Date	Ending Date
Florida	No Type Specified	CBOT	Rice	November	Jan 17	Jan 31	Sep 1	Sep 30

Rice (0018)

For counties with insurable types having a February 28 sales closing date:

Projected price—The harvest year's average daily settlement price for the projected price discovery period for the harvest year's futures contract, as shown in the table below, rounded to the nearest whole cent. The projected price will be released by February 18 of the harvest year.

Harvest price—The harvest year's average daily settlement price for the harvest price discovery period for the harvest year's futures contract, as shown in the table below, rounded to the nearest whole cent. The harvest price will be released within 5 days following the end of the harvest price discovery period. In no case may the harvest price exceed 160 percent of the projected price.

State	Insured Type	Commodity Exchange	Commodity	Contract Month	Projected Price Discovery Period Beginning Date	Projected Price Discovery Period Ending Date	Harvest Price Discovery Period Beginning Date	Harvest Price Discovery Period Ending Date
Arkansas	No Type Specified	CBOT	Rice	November	Jan 30	Feb 13	Sep 1	Sep 30
California	No Type Specified	CBOT	Rice	November	Jan 30	Feb 13	Oct 1	Oct 31
Louisiana	No Type Specified	CBOT	Rice	September	Jan 30	Feb 13	Aug 1	Aug 31
Mississippi	No Type Specified	CBOT	Rice	November	Jan 30	Feb 13	Sep 1	Sep 30
Missouri	No Type Specified	CBOT	Rice	November	Jan 30	Feb 13	Oct 1	Oct 31
Oklahoma	No Type Specified	CBOT	Rice	November	Jan 30	Feb 13	Sep 1	Sep 30
Tennessee	No Type Specified	CBOT	Rice	November	Jan 30	Feb 13	Oct 1	Oct 31
Texas	No Type Specified	CBOT	Rice	November	Jan 30	Feb 13	Sep 1	Sep 30

Soybeans (0081)

For counties with insurable types having a January 31 sales closing date:

Projected price—The harvest year's average daily settlement price for the projected price discovery period for the harvest year's futures contract, as shown in the table below, rounded to the nearest whole cent. The projected price will be released by January 21 of the harvest year.

Harvest price—The harvest year's average daily settlement price for the harvest price discovery period for the harvest year's futures contract, as shown in the table below, rounded to the nearest whole cent. The harvest price will be released within 5 days following the end of the harvest price discovery period. In no case may the harvest price exceed 160 percent of the projected price.

State	Insured Type	Commodity Exchange	Commodity	Contract Month	Projected Price Discovery Period Beginning Date	Projected Price Discovery Period Ending Date	Harvest Price Discovery Period Beginning Date	Harvest Price Discovery Period Ending Date
Texas	No Type Specified	CBOT	Soybeans	November	Jan 2	Jan 16	Sep 1	Sep 30

Soybeans (0081)

For counties with insurable types having a February 28 sales closing date:

Projected price—The harvest year's average daily settlement price for the projected price discovery period for the harvest year's futures contract, as shown in the table below, rounded to the nearest whole cent. The projected price will be released by February 18 of the harvest year.

Harvest price—The harvest year's average daily settlement price for the harvest price discovery period for the harvest year's futures contract, as shown in the table below, rounded to the nearest whole cent. The harvest price will be released within 5 days following the end of the harvest price discovery period. In no case may the harvest price exceed 160 percent of the projected price.

State	Insured Type	Commodity Exchange	Commodity	Contract Month	Projected Price Discovery Period Beginning Date	Projected Price Discovery Period Ending Date	Harvest Price Discovery Period Beginning Date	Harvest Price Discovery Period Ending Date
Alabama	No Type Specified	CBOT	Soybeans	January	Jan 30	Feb 13	Nov 1	Nov 30
Arkansas	No Type Specified	CBOT	Soybeans	November	Jan 30	Feb 13	Oct 1	Oct 31
Florida	No Type Specified	CBOT	Soybeans	January	Jan 30	Feb 13	Nov 1	Nov 30
Georgia	No Type Specified	CBOT	Soybeans	January	Jan 30	Feb 13	Nov 1	Nov 30
Louisiana	No Type Specified	CBOT	Soybeans	November	Jan 30	Feb 13	Oct 1	Oct 31
Mississippi	No Type Specified	CBOT	Soybeans	November	Jan 30	Feb 13	Oct 1	Oct 31
North Carolina	No Type Specified	CBOT	Soybeans	January	Jan 30	Feb 13	Nov 1	Nov 30
South Carolina	No Type Specified	CBOT	Soybeans	January	Jan 30	Feb 13	Nov 1	Nov 30
Texas	No Type Specified	CBOT	Soybeans	November	Jan 30	Feb 13	Oct 1	Oct 31

Soybeans (0081)

For counties with insurable types having a March 15 sales closing date:

Projected price—The harvest year's average daily settlement price for the projected price discovery period for the harvest year's futures contract, as shown in the table below, rounded to the nearest whole cent. The projected price will be released by March 5 of the harvest year.

Harvest price—The harvest year's average daily settlement price for the harvest price discovery period for the harvest year's futures contract, as shown in the table below, rounded to the nearest whole cent. The harvest price will be released within 5 days following the end of the harvest price discovery period. In no case may the harvest price exceed 160 percent of the projected price.

					Projected Price Discovery Period		Harvest Price Discovery Period	
State	Insured Type	Commodity Exchange	Commodity	Contract Month	Beginning Date	Ending Date	Beginning Date	Ending Date
Colorado	No Type Specified	CBOT	Soybeans	November	Feb 14	Feb 28	Oct 1	Oct 31
Delaware	No Type Specified	CBOT	Soybeans	January	Feb 14	Feb 28	Nov 1	Nov 30
Illinois	No Type Specified	CBOT	Soybeans	November	Feb 14	Feb 28	Oct 1	Oct 31
Indiana	No Type Specified	CBOT	Soybeans	November	Feb 14	Feb 28	Oct 1	Oct 31
Iowa	No Type Specified	CBOT	Soybeans	November	Feb 14	Feb 28	Oct 1	Oct 31
Kansas	No Type Specified	CBOT	Soybeans	November	Feb 14	Feb 28	Oct 1	Oct 31
Kentucky	No Type Specified	CBOT	Soybeans	November	Feb 14	Feb 28	Oct 1	Oct 31
Maryland	No Type Specified	CBOT	Soybeans	January	Feb 14	Feb 28	Nov 1	Nov 30
Michigan	No Type Specified	CBOT	Soybeans	November	Feb 14	Feb 28	Oct 1	Oct 31
Minnesota	No Type Specified	CBOT	Soybeans	November	Feb 14	Feb 28	Oct 1	Oct 31
Missouri	No Type Specified	CBOT	Soybeans	November	Feb 14	Feb 28	Oct 1	Oct 31
Nebraska	No Type Specified	CBOT	Soybeans	November	Feb 14	Feb 28	Oct 1	Oct 31
New Jersey	No Type Specified	CBOT	Soybeans	January	Feb 14	Feb 28	Nov 1	Nov 30
New York	No Type Specified	CBOT	Soybeans	January	Feb 14	Feb 28	Nov 1	Nov 30
North Dakota	No Type Specified	CBOT	Soybeans	November	Feb 14	Feb 28	Oct 1	Oct 31
Ohio	No Type Specified	CBOT	Soybeans	November	Feb 14	Feb 28	Oct 1	Oct 31
Oklahoma	No Type Specified	CBOT	Soybeans	January	Feb 14	Feb 28	Oct 1	Oct 31
Pennsylvania	No Type Specified	CBOT	Soybeans	January	Feb 14	Feb 28	Nov 1	Nov 30
South Dakota	No Type Specified	CBOT	Soybeans	November	Feb 14	Feb 28	Oct 1	Oct 31
Tennessee	No Type Specified	CBOT	Soybeans	January	Feb 14	Feb 28	Nov 1	Nov 30
Texas	No Type Specified	CBOT	Soybeans	November	Feb 14	Feb 28	Oct 1	Oct 31
Virginia	No Type Specified	CBOT	Soybeans	January	Feb 14	Feb 28	Nov 1	Nov 30
West Virginia	No Type Specified	CBOT	Soybeans	January	Feb 14	Feb 28	Nov 1	Nov 30
Wisconsin	No Type Specified	CBOT	Soybeans	November	Feb 14	Feb 28	Oct 1	Oct 31

Wheat (0011)

For counties with insurable types having a September 30 sales closing date:

Projected price—The pre-harvest year's average daily settlement price for the projected price discovery period for the harvest year's futures contract, as shown in the table below, rounded to the nearest whole cent. The projected price will be released by September 20 of the pre-harvest year.

Harvest price—The harvest year's average daily settlement price for the harvest price discovery period for the harvest year's futures contract, as shown in the table below, rounded to the nearest whole cent. The harvest price will be released within 5 days following the end of the harvest price discovery period. In no case may the harvest price exceed 160 percent of the projected price.

WHEAT - September 30 Sales Closing Date					Projected Price Discovery Period		Harvest Price Discovery Period	
State	Insured Type	Commodity Exchange	Commodity	Contract Month	Beginning Date	Ending Date	Beginning Date	Ending Date
Alabama	No Type Specified	CBOT	Wheat	July	Sep 1	Sep 15	Jun 1	Jun 30
Arkansas	No Type Specified	CBOT	Wheat	July	Sep 1	Sep 15	Jun 1	Jun 30
California	Winter	KCBT	HRW Wheat	July	Sep 1	Sep 15	Jun 1	Jun 30
Colorado	Winter	KCBT	HRW Wheat	September	Sep 1	Sep 15	Jul 1	Jul 31
Colorado	No Type Specified	KCBT	HRW Wheat	September	Sep 1	Sep 15	Jul 1	Jul 31
Delaware	No Type Specified	CBOT	Wheat	September	Sep 1	Sep 15	Jul 1	Jul 31
Florida	No Type Specified	CBOT	Wheat	July	Sep 1	Sep 15	May 1	May 31
Georgia	No Type Specified	CBOT	Wheat	July	Sep 1	Sep 15	Jun 1	Jun 30
Idaho	Winter	KCBT	HRW Wheat	September	Sep 1	Sep 15	Aug 1	Aug 31
Idaho	Spring	MGE	HRS Wheat	September	Feb 14	Feb 28	Aug 1	Aug 31
Illinois	No Type Specified	CBOT	Wheat	September	Sep 1	Sep 15	Jul 1	Jul 31
Indiana	No Type Specified	CBOT	Wheat	September	Sep 1	Sep 15	Jul 1	Jul 31
Iowa	Winter	CBOT	Wheat	September	Sep 1	Sep 15	Jul 1	Jul 31
Kansas	No Type Specified	KCBT	HRW Wheat	July	Sep 1	Sep 15	Jun 1	Jun 30
Kentucky	No Type Specified	CBOT	Wheat	July	Sep 1	Sep 15	Jun 1	Jun 30
Louisiana	No Type Specified	CBOT	Wheat	July	Sep 1	Sep 15	Jun 1	Jun 30
Maryland	No Type Specified	CBOT	Wheat	September	Sep 1	Sep 15	Jul 1	Jul 31
Michigan	Winter	CBOT	Wheat	September	Sep 1	Sep 15	Jul 1	Jul 31
Mississippi	No Type Specified	CBOT	Wheat	July	Sep 1	Sep 15	Jun 1	Jun 30
Missouri	No Type Specified	CBOT	Wheat	September	Sep 1	Sep 15	Jul 1	Jul 31
Montana	Winter	KCBT	HRW Wheat	September	Sep 1	Sep 15	Aug 1	Aug 31
Nebraska	Winter	KCBT	HRW Wheat	September	Sep 1	Sep 15	Jul 1	Jul 31
Nebraska	No Type Specified	KCBT	HRW Wheat	September	Sep 1	Sep 15	Jul 1	Jul 31
New Jersey	No Type Specified	CBOT	Wheat	September	Sep 1	Sep 15	Jul 1	Jul 31
New Mexico	No Type Specified	KCBT	HRW Wheat	July	Sep 1	Sep 15	Jun 1	Jun 30
New York	No Type Specified	CBOT	Wheat	September	Sep 1	Sep 15	Jul 1	Jul 31
North Carolina	No Type Specified	CBOT	Wheat	July	Sep 1	Sep 15	Jun 1	Jun 30
Ohio	No Type Specified	CBOT	Wheat	September	Sep 1	Sep 15	Jul 1	Jul 31
Oklahoma	No Type Specified	KCBT	HRW Wheat	July	Sep 1	Sep 15	Jun 1	Jun 30
Oregon	Winter	KCBT	HRW Wheat	September	Sep 1	Sep 15	Aug 1	Aug 31
Oregon	Spring	MGE	HRS Wheat	September	Feb 14	Feb 28	Aug 1	Aug 31
Pennsylvania	No Type Specified	CBOT	Wheat	September	Sep 1	Sep 15	Jul 1	Jul 31
South Carolina	No Type Specified	CBOT	Wheat	July	Sep 1	Sep 15	Jun 1	Jun 30
South Dakota	Winter	KCBT	HRW Wheat	September	Sep 1	Sep 15	Jul 1	Jul 31
Tennessee	No Type Specified	CBOT	Wheat	July	Sep 1	Sep 15	Jun 1	Jun 30
Texas	No Type Specified	KCBT	HRW Wheat	July	Sep 1	Sep 15	Jun 1	Jun 30
Virginia	No Type Specified	CBOT	Wheat	September	Sep 1	Sep 15	Jul 1	Jul 31
Washington	Winter	KCBT	HRW Wheat	September	Sep 1	Sep 15	Aug 1	Aug 31
Washington	Spring	MGE	HRS Wheat	September	Feb 14	Feb 28	Aug 1	Aug 31
West Virginia	No Type Specified	CBOT	Wheat	September	Sep 1	Sep 15	Jul 1	Jul 31
Wisconsin	Winter	CBOT	Wheat	September	Sep 1	Sep 15	Aug 1	Aug 31
Wyoming	Winter	KCBT	HRW Wheat	September	Sep 1	Sep 15	Aug 1	Aug 31

Wheat (0011)

For counties with insurable types having an October 31 sales closing date:

Projected price—The pre-harvest year's average daily settlement price for the projected price discovery period for the harvest year's futures contract, as shown in the table below, rounded to the nearest whole cent. The projected price will be released by October 21 of the pre-harvest year.

Harvest price—The harvest year's average daily settlement price for the harvest price discovery period for the harvest year's futures contract, as shown in the table below, rounded to the nearest whole cent. The harvest price will be released within 5 days following the end of the harvest price discovery period. In no case may the harvest price exceed 160 percent of the projected price.

WHEAT - October 31 Sales Closing Date					Projected Price Discovery Period		Harvest Price Discovery Period	
State	Insured Type	Commodity Exchange	Commodity	Contract Month	Beginning Date	Ending Date	Beginning Date	Ending Date
Arizona	Winter	KCBT	HRW Wheat	July	Oct 1	Oct 15	Jun 1	Jun 30
Arizona	Durum	MGE	HRS Wheat	July	Oct 1	Oct 15	Jun 1	Jun 30
California	Winter	KCBT	HRW Wheat	July	Oct 1	Oct 15	Jun 1	Jun 30
California	Durum	MGE	HRS Wheat	July	Oct 1	Oct 15	Jun 1	Jun 30
Nevada	Winter	KCBT	HRW Wheat	September	Oct 1	Oct 15	Aug 1	Aug 31
Nevada	Spring	MGE	HRS Wheat	September	Feb 14	Feb 28	Aug 1	Aug 31
Utah	Winter	KCBT	HRW Wheat	September	Oct 1	Oct 15	Aug 1	Aug 31
Utah	Spring	MGE	HRS Wheat	September	Feb 14	Feb 28	Aug 1	Aug 31

Wheat (0011)

For counties with insurable types having a March 15 sales closing date:

Projected price—The harvest year's average daily settlement price for the projected price discovery period for the harvest year's futures contract, as shown in the table below, rounded to the nearest whole cent. The projected price will be released by March 5 of the harvest year.

Harvest price—The harvest year's average daily settlement price for the harvest price discovery period for the harvest year's futures contract, as shown in the table below, rounded to the nearest whole cent. The harvest price will be released within 5 days following the end of the harvest price discovery period. In no case may the harvest price exceed 160 percent of the projected price.

WHEAT - March 15 Sales Closing Date

					Projected Price Discovery Period		Harvest Price Discovery Period	
State	Insured Type	Commodity Exchange	Commodity	Contract Month	Beginning Date	Ending Date	Beginning Date	Ending Date
Alaska	Spring	MGE	HRS Wheat	September	Feb 14	Feb 28	Aug 1	Aug 31
California	Spring	MGE	HRS Wheat	September	Feb 14	Feb 28	Aug 1	Aug 31
Colorado	Spring	MGE	HRS Wheat	September	Feb 14	Feb 28	Aug 1	Aug 31
Iowa	Spring	MGE	HRS Wheat	September	Feb 14	Feb 28	Aug 1	Aug 31
Maine	No Type Specified	MGE	HRS Wheat	September	Feb 14	Feb 28	Aug 1	Aug 31
Minnesota	No Type Specified	MGE	HRS Wheat	September	Feb 14	Feb 28	Aug 1	Aug 31
Montana	Khorasan	MGE	HRS Wheat	September	Feb 14	Feb 28	Aug 1	Aug 31
Montana	Spring	MGE	HRS Wheat	September	Feb 14	Feb 28	Aug 1	Aug 31
Montana	Durum	MGE	HRS Wheat	September	Feb 14	Feb 28	Aug 1	Aug 31
Nebraska	Spring	MGE	HRS Wheat	September	Feb 14	Feb 28	Aug 1	Aug 31
North Dakota	Khorasan	MGE	HRS Wheat	September	Feb 14	Feb 28	Aug 1	Aug 31
North Dakota	Spring	MGE	HRS Wheat	September	Feb 14	Feb 28	Aug 1	Aug 31
North Dakota	Durum	MGE	HRS Wheat	September	Feb 14	Feb 28	Aug 1	Aug 31
South Dakota	Spring	MGE	HRS Wheat	September	Feb 14	Feb 28	Aug 1	Aug 31
South Dakota	Durum	MGE	HRS Wheat	September	Feb 14	Feb 28	Aug 1	Aug 31
South Dakota	No Type Specified	MGE	HRS Wheat	September	Feb 14	Feb 28	Aug 1	Aug 31
Vermont	No Type Specified	MGE	HRS Wheat	September	Feb 14	Feb 28	Aug 1	Aug 31
Wisconsin	Spring	MGE	HRS Wheat	September	Feb 14	Feb 28	Aug 1	Aug 31
Wyoming	Spring	MGE	HRS Wheat	September	Feb 14	Feb 28	Aug 1	Aug 31
Wyoming	No Type Specified	MGE	HRS Wheat	September	Feb 14	Feb 28	Aug 1	Aug 31

5. Basis for Specific Changes to the Common Crop Insurance Policy Basic Provisions

The proposed changes are as follows:

(a) Section 457.8—FCIC proposes to revise § 457.8 to add new paragraphs (c) through (f) to specify that the policy that the producer currently has will continue but under the newly revised terms contained in the Common Crop Insurance Policy Basic Provisions. This means that if insured producers previously had APH coverage under a crop that now has revenue protection available, those producers will receive yield protection at the percentage of price and level of coverage under their current elections, including any endorsements to the Crop Provisions that are in effect. This means that producers who are currently insured under CRC, RA, IP or IIP will continue to receive revenue protection, except for sunflowers, but it will now be under the Common Crop Insurance Policy Basic Provisions at the percentage of price and level of coverage under their current elections, including any endorsements to the Crop Provisions that are in effect. This also means that a producer who previously had coverage for a crop for which revenue protection is not available will continue with the same coverage, e.g. APH or amount of insurance.

Nothing in these revisions precludes producers from canceling their crop insurance coverage or canceling options or endorsements currently in effect on or before the cancellation date contained in the Crop Provisions. Further, on or before the sales closing date, producers may change from yield protection to revenue protection or vice-versa, change their percentage of price, change their levels of coverage, or elect other available options to the Crop Provisions.

If a producer currently has RA coverage without the Fall Harvest Price Option, that producer will automatically receive revenue protection with the harvest price exclusion option unless the producer elects to change coverage by the sales closing date. All current APH databases will be applicable to both yield and revenue protection.

If a producer currently has the hail and fire exclusion option in effect under the current APH or amount of insurance coverage, that option will still be in effect for yield protection, yield coverage, or amount of insurance, unless the producer cancels such coverage. A producer who has revenue protection will now be eligible for the hail and fire exclusion option if the requirements are met.

If a producer currently has a High-Risk Land Exclusion Option in effect and has CAT coverage on the high-risk land, the producer will continue to have the High-Risk Land Exclusion Option in effect and have CAT coverage on the high-risk land until it is canceled. If a producer has a properly executed Power of Attorney on file with the insurance provider that signed Power of Attorney is still in effect under the revised Common Crop Insurance Policy Basic Provisions until it is terminated. If the producer has a current written agreement in effect for the crop for multiple years, that same written agreement will still be in effect if the terms of the written agreement are still applicable, the conditions under which the written agreement was provided have not changed, and the policy remains with the same insurance provider.

Also, FCIC proposes to add a reference to the ''Commodity Exchange Price Provisions, as applicable'' in the ''agreement to insure section'' to indicate order of precedence between it and the other policy documents;

(b) Section 1—FCIC proposes to add definitions of ''Commodity Exchange Price Provisions (CEPP),'' ''harvest price,'' ''harvest price exclusion option,'' ''projected price,'' ''revenue protection,'' ''revenue protection guarantee (per acre),'' ''yield protection,'' and ''yield protection

guarantee (per acre)'' and revise the definitions of ''policy,'' and ''price election'' so that revenue protection can be explained and incorporated into the Common Crop Insurance Policy Basic Provisions.

FCIC also proposes to add a definition of ''Cooperative Extension System'' to clarify the persons who are actually the specialists in agronomy, who work in the field, and would be available to provide recommendations and opinions as agricultural experts. FCIC also proposes to add the definition of ''RMA's Web site'' so that it does not need to be defined and an address listed everywhere it is used. FCIC also proposes to add a definition of ''common land unit'' because such a unit of measure may be used when FCIC and the Farm Service Agency develop their common reporting system.

FCIC also proposes to revise the definition of ''actuarial documents'' in response to the addition of the definition of RMA's Web site and to add the term ''price'' because it is also a policy provision that is included in the actuarial documents. FCIC also proposes to revise the definitions of ''agricultural experts'' and ''organic agricultural industry'' to replace the reference to ''Cooperative State Research, Education, and Extension Service'' with ''Cooperative Extension System'' because the Cooperative State Research, Education, and Extension Service informed FCIC that it was not the agency that would provide the actual expertise. Such expertise will come from the field from persons associated with the Cooperative Extension System.

FCIC proposes to revise the definition of ''assignment of indemnity'' to incorporate changes proposed in section 29 that allow assignments to be made only to legitimate creditors of the insured person. FCIC also proposes to revise the definition of ''average yield'' to clarify that adjustments made to actual yields include only those reductions to actual yields required by the policy. Other adjustments referenced in the definition of ''average yield'' have been removed because the average yield is a simple average of the actual numbers and these other adjustments are more properly included in the definition of ''approved yield.''

FCIC also proposes to revise the definition of ''catastrophic risk protection'' to preclude producers who elect revenue protection to also obtain CAT coverage because revenue protection is considered an option and CAT policies are not eligible for optional coverage. FCIC also proposes to remove the language pertaining to the waiver of disaster assistance because the waiver is no longer being used by the Farm Service Agency.

FCIC also proposes to revise the definition of ''claim for indemnity'' to remove the language regarding the timeframe by which claims must be submitted because this is a substantive provision that imposes a requirement on the producer. Further, this timeframe is not applicable to revenue policies. Therefore, this provision has been moved to section 14 of the revised Common Crop Insurance Policy Basic Provisions. FCIC also proposes to revise the definition of ''delinquent debt'' to specify that this term will be as defined in the ineligibility regulations published at 7 CFR part 400, subpart U. This will prevent any conflicts between the policy provisions and other applicable regulations.

FCIC proposes to revise the definition of ''enterprise unit'' to remove the substantive provisions regarding basic and optional units and move them to section 34. FCIC proposes to revise the definition of ''share'' to include the term ''insurable interest'' and add a definition of ''insurable interest,'' which is currently defined in 7 CFR part 400, subpart T. FCIC also proposes to revise the definition of ''prevented planting'' to restructure it and to add provisions clarifying that failure to plant because of lack of equipment or labor is not considered prevented planting because lack of equipment or labor are not insured causes of loss. Issues have arisen because such conditions may cause the producer to be unable to plant the crop. However, the failure to plant must be caused by an insured cause of loss specified in the Crop Provisions to be covered under the prevented planting provisions. The references to labor and equipment are not intended to suggest that other similar causes may be covered under the policy (e.g. inability to obtain seed). If not caused by an insured cause of loss, prevented planting is not covered.

FCIC proposes to revise the definition of ''production report'' to clarify that the approved insurance provider may approve types of records not included in the definition in accordance with FCIC approved procedures.

FCIC is proposing to revise the definition of ''substantial beneficial interest'' to clarify the reference to otherwise legally separate under state law. When originally drafted this provision was intended to cover those situations where the marriage was dissolving through legal separation or divorce and referred to legally separate under state law because different states may use different terms when the parties are separating. However, questions have arisen regarding whether other separate property laws, etc., may apply so FCIC is clarifying that the only state laws applicable are those regarding the dissolution of marriage.

FCIC proposes to revise the definition of ''void'' because there may be other reasons why the policy is void other than as a result of concealment, fraud or misrepresentation. FCIC also proposes to revise the definition of ''whole-farm unit'' to remove the substantive provisions regarding the number of insured crops and percent of liability and move them to section 34;

(c) Section 2—FCIC proposes to revise section 2(a) to specify that even though the policy is continuous, it may be revised each year provided such revision is done in accordance with section 4 of the Common Crop Insurance Policy Basic Provisions, which specifies the manner in which the policy may be revised. This change is being made to avoid any misperception that the continuous nature of the policy in any way inhibits FCIC's ability to revise the policy provisions.

FCIC proposes to revise section 2(b) to specify that the producer's application must also include the producer's election of revenue protection or yield protection, as applicable, and the percentage of the price election or percentage of projected price and harvest price. This will facilitate the incorporation of revenue protection into the Common Crop Insurance Policy Basic Provisions. Also, FCIC proposes to revise the provisions to specify that incorrect SSN's or EIN's must be corrected before any insurance payment is made. If an incorrect number is not corrected for the insured producer before any insurance payment is made, no coverage will be provided for any crops listed on the application. If an incorrect number is not corrected for a person with a substantial beneficial interest in the insured producer, insurance coverage will be reduced by the percentage interest that person had in the insured producer, or, if the person is determined to be ineligible, no coverage will be provided. FCIC is also proposing to clarify the reduction in share that will occur if a spouse's identification number is not provided as a substantial beneficial interest because there have been questions regarding what the amount of share is presumed to be. FCIC has clarified that spouses are presumed to have a 50 percent share in the spouse's share.

FCIC is also proposing to revise the provisions to specify that if the producer, or a person with a substantial beneficial interest in the producer is not

eligible to obtain a SSN, or if the producer is a person other than an individual and a person with a substantial interest in the producer is not eligible to obtain a SSN, the producer must request and receive an identification number for the purposes of the policy from the approved insurance provider (AIP). If an identification number is not requested by the producer and provided by the AIP, the amount of coverage for all crops on the application will be reduced proportionately by the percentage interest of that person. If the person is the named applicant and no identification was obtained, the policy will be void. This language was incorporated to clarify when a SSN, EIN, or identification number is needed for another person's interest in a crop and how to obtain an identification number.

FCIC also proposes to revise section 2(g) to specify if a married insured dies, disappears, or is judicially declared incompetent the policy will automatically convert to the spouse's name and will continue to be in effect until the spouse cancels it. However, if a partner, member, shareholder, etc., dies, disappears, or is judicially declared incompetent more than 30 days before the sales closing date, the policy is automatically canceled as of the cancellation date and a new application must be submitted. If such occurrence occurs less than 30 days before the sales closing date or after the sales closing date, the policy will continue in effect through the crop year, unless it is canceled by the producer by the cancellation date, and will be automatically canceled as of the cancellation date immediately following the end of the insurance period for the crop year. The provisions were changed so that in the event of a death, disappearance or judicially declared incompetence, the survivors would have at least 30 days to obtain a new policy. There have been numerous situations where an insured spouse has died and the surviving spouse continues to provide the necessary information and later realizes that insurance coverage is not provided because insurance was not in the surviving spouse's name. With respect to entities, the death of a member of the entity changes the business relationship with respect to all matters and, therefore, they are accustomed to having to make such changes. However, there are situations where the death may occur near the sales closing date and there is insufficient time to change the name on the policy. For this reason, FCIC is proposing to allow the policy to continue in effect for the remainder of the crop year when such death, etc., occurs within 30 days of the sales closing date.

Also, FCIC proposes to revise the provisions to specify that in the event any insured entity is dissolved before the sales closing date, the policy is automatically canceled by the cancellation date prior to the start of the insurance period. However, if it is dissolved on or after the sales closing date the policy will continue in effect through the crop year, unless canceled by the cancellation date, and be automatically canceled as of the cancellation date immediately following the end of the insurance period for the crop year. Dissolution is being treated differently than death, disappearance or incompetence because dissolution is controlled by the members of the entity. Therefore, they can control the timing of the dissolution to ensure sufficient time to cancel the existing policy and separately obtain insurance;

(d) Section 3—FCIC proposes to revise section 3(b) to require producers to select the same protection, either yield protection or revenue protection, if available, for all acreage of the insured crop in the county unless one of the exceptions apply. This will protect program integrity by ensuring that producers are unable to manipulate the type of protection on their acreages to ensure the payment of an indemnity. FCIC also proposes to remove the language referring to crops of economic significance because as stated above, any requirement that the producer obtain crop insurance to be eligible for another USDA program benefit will be contained in such programs requirement, not the policy. A provision was also added to specify that high-risk land may be insured under a CAT policy and the other land may be insured under revenue protection. This is to avoid any confusion because revenue protection is not available for CAT policies.

FCIC proposes to revise section 3(c) to clarify that the additional price election is only applicable to crops for which revenue protection is not available. FCIC also proposes to revise sections 3(c) and 3(d) to distinguish between crops for which revenue protection is available and those crops for which it is not regarding the ability to change elections from year to year. This will avoid any confusion. Further, for crops for which revenue coverage is available, provisions have been added to specify what prices will be used to calculate the guarantees, premium, prevented planting payments and replant payments, and value of the production to count.

FCIC is proposing to revise section 3(e) to add provisions to clarify that production reports must be provided annually for multi-year written agreements. This is consistent with the provisions that allow multi-year written agreements.

FCIC is also proposing to amend section 3(f) to restructure it for readability and revise the consequences of misreporting information and not maintaining records. There has been confusion regarding these consequences and FCIC wanted it to be clear that misreporting information and failing to maintain records can both subject the producer to the misreporting provisions in section 6(g). FCIC is also proposing to permit the producer to correct misreported information by the production reporting date without sanctions. This will allow the correction of inadvertent errors. FCIC is also proposing to add provisions that clarify that any time the information used to compute the approved yield is incorrect, the approved insurance provider can correct the approved yield, correct the unit structure, or the producer can be subject to the misreporting provisions in section 6(g)(1). There have been situations where agents or producers have intentionally misreported production information and the policy needs to be very clear the approved yield must be corrected for the crop year and any subsequent crop years the production is in the producer's database, regardless of whether the record retention period has expired.

FCIC is proposing to revise section 3(g) to add a new provision to allow the adjustment of the approved yield when there is no valid basis to support the approved yield. FCIC cannot anticipate every situation of why approved yields may be suspect. This provision is needed to address other potential situations that may arise. FCIC also proposes to remove provisions that specified a producer may be subject to fraud provisions if they do not have supporting records or can not provide a valid basis for an excessive yield. Current provisions clearly state the actions that will be taken, which are either the assignment of a yield in accordance with 7 CFR part 400, subpart G, or the assignment of average yields for the crop or the applicable transitional yield if the producer does not have other yields for the crop.

FCIC is also proposing to add a new section 3(k) that will specify that revenue protection will not be available if there has been a news report, announcement, or other event that

occurs during or after trading hours that is believed by the Secretary of Agriculture or the Administrator of the Risk Management Agency that results in market conditions significantly different than those used to rate or price revenue protection. The use of commodity exchanges is relatively new and, therefore, the impacts of significant external events is not known so it cannot be quantified for the purposes of determining actuarially sound premium rates. However, as demonstrated by the first announced case of bovine spongiform encephalitis in this country, the commodity exchanges can respond significantly and quickly to such events. Given the magnitude of the possible losses, and the uncertainty surrounding the possible frequency of such events, the premium rate load for such losses could be high and make revenue protection unaffordable. FCIC has determined that it would better serve the crop insurance program to eliminate revenue coverage for such years than to make revenue coverage potentially unaffordable to producers in all years.

FCIC is also proposing to add provisions that specify that in the event a projected price cannot be calculated, no revenue protection will be available, a projected price will be established by RMA, and producers who elected revenue protection will automatically have yield protection, unless the policy is canceled by the cancellation date. Without a means to calculate the applicable revenue prices, no coverage could be provided. However, to prevent voidance of the policy and to ensure the continuity of coverage, FCIC has elected to have the policy revert to yield coverage in the event the projected price cannot be determined. In the event that the fall harvest price cannot be calculated by the procedures outlined in the Commodity Exchange Price Provisions the harvest price will be set equal to the projected price. Premium rates will reflect this risk so no adjustment to the premium rates will be made if such action occurs;

(e) Section 4(b)—FCIC proposes to revise the provisions to include the Commodity Exchange Price Provisions as information that may change and which can be viewed on RMA's Web site not later than the contract change date for the crop. Also, FCIC proposes to remove the reference to where RMA's Web site may be found since that information has been included in the definition of ''RMA's Web site'';

(f) Section 6–FCIC proposes to revise section 6(c)(5) to clarify that the final date the acreage was planted on the unit must be reported on the acreage report for acreage that was planted by the final planting date. FCIC also proposes to require producers to report the date and the amount of acreage planted per day during the late planting period. There have been instances where producers have only reported one of the many dates the acreage was planted and failed to report acreage that may have been planted after the final planting date. This change will avoid this situation and ensure the approved insurance provider can accurately determine the appropriate coverage for all the acreage.

FCIC proposes to revise section 6(d)(2) to clarify that, once prevented planting acreage is reported on the acreage report, the insured cannot change the insured crop or type that was reported as prevented from being planted even though the acreage reporting date may not have passed. However, the insured can revise the acreage report by the acreage reporting date to add additional acreage for the insured crop that is prevented from being planted. The current provisions were interpreted by some to mean that prevented planting acreage could not be added to the acreage report once any prevented planting acreage had been reported even though the acreage reporting date had not passed. This was not the intent of the provision.

In redesignated section 6(d)(3), FCIC also proposes to revise provisions regarding acreage measurement requests by breaking the provisions into separate paragraphs to improve readability. FCIC also proposes to clarify that if a measurement is requested for only part of the acreage in a unit, that this specific acreage be separately identified on the acreage report. This is to eliminate the need to measure a whole unit if only part of the acreage needs to be measured. Further, this is to ensure that the waiver of the misreporting provisions only apply to the acreage for which a measurement was requested.

FCIC also proposes to revise this paragraph to eliminate the conflict regarding whether a claim will be paid before the acreage measurement is received. There has been confusion regarding whether claims must be delayed pending the receipt of a measurement and FCIC has determined that such a delay would pose an undue financial hardship on the producer. However, after the measurement is received, if the acreage is found to be incorrect, the claim, and any premium owed, must be adjusted and any overpayments or underpayments must be paid by the producer or approved insurance provider. FCIC explored the possibility of allowing claims to be paid based on the acreage determined by the approved insurance provider and applying the misreporting provisions but determined that this would unfairly penalize farmers whose measurements have been delayed through no fault of their own. FCIC also explored the possibility of not applying the misreporting provisions but determined that this could lead to producers misreporting information with impunity even if they never really intended to obtain a measurement. FCIC also considered removing the acreage measurement provisions but determined that it met a critical need for some producers on acreage whose characteristics made it difficult to measure without sophisticated tools.

FCIC is also proposing to revise the provisions regarding failure to provide the acreage measurement to require repayment of any claim amount paid for the unit. FCIC determined that it could not apply the sanction in section 6(g) because there is nothing to determine whether the information was incorrect. FCIC also considered denying the claim payment only on the acreage for which the measurement was requested but it is impossible to separate out the production guarantee and production to count for such acreage because these are reported on a unit basis. Because the approved insurance provider would not pay a claim on estimated acreage unless there was the expectation of receiving the correct information from the acreage measurement, there must be a sanction applied for the failure to provide the needed measurement. Since FCIC is unable to determine a different suitable sanction, it is proposing to require repayment of the claim but it is willing to consider alternatives.

In section 6(g)(2), FCIC also proposes to delete the provisions regarding penalties for producers who misreport insurance liability in excess of 10 percent of the actual liability. FCIC has determined that the provision is not necessary because other existing provisions already provide the means to deal with information that is misreported. For example, if a producer under-reports acreage, the insurance liability is held to the amount reported, yet all production from the insurable acreage is counted against the production guarantee. If a producer over-reports acreage, then the insurance liability is held to what the insurance provider determines actually exists. Further, there is no incentive to over-report acreage because the producer must pay premium on the extra liability if there is no claim, and, if there is a claim, it should never be paid for the over-reported liability. The provision was initially implemented because it was thought the penalty would provide

an added incentive for correct reporting. However, comparison of data from a year in which the penalty was applicable and a year in which it was not applicable, suggests it did not improve reporting accuracy. Further, comments received by RMA have indicated the penalty is not in the best interest of the over-all program because it results in unduly harsh penalties to producers who simply make inadvertent errors. RMA will continue to track reporting error rates and, if the error rate is determined to be excessive, it will consider courses of action that may be taken to increase reporting accuracy. RMA welcomes any recommendations regarding alternatives that could be used to improve the accuracy of reported insurance information.

FCIC also proposes to replace the provisions removed from section 6(g)(2) with provisions indicating that if the share is misreported, the production guarantee and amount of insurance will not be revised but either the correct share or the reported share will be used to determine the indemnity depending on which is lower. This provision is necessary because the provisions in section 6(g)(1) provide for adjustment of the production guarantee or amount of insurance when liability is misreported. Share is not included in the computation of the production guarantee or amount in insurance. Instead, for the purposes of clarity, FCIC is simply specifying the consequences for misreporting on the premium and indemnity;

(g) Section 7—FCIC proposes to revise section 7(c)(1) to specify the premium will be calculated by using either the projected price or the price election, as applicable due to the addition of revenue protection in the Basic Provisions. In section 7(d), FCIC also proposes to delete provisions indicating that the premium will be computed using the elected or assigned price election or amount of insurance. These provisions are not necessary because other provisions clearly state that the price used is the price applicable for the current crop year;

(h) Section 8—FCIC proposes to revise section 8(b)(2) regarding written agreements for crops for which the information necessary for insurance is not included in the actuarial documents by providing separate provisions for crops for which revenue protection is and is not available;

(i) Section 9—FCIC proposes to revise section 9(a) to add a new paragraph (2) that clarifies that if a crop has been planted in one of the three previous crop years, the acreage will still not be insurable if such crop is a cover, hay, or forage crop (except corn or sorghum silage). FCIC proposes to create exceptions to allow insurance where permitted by written agreement or the Crop Provisions or the crop to be insured on the acreage is a hay or forage crop. It does not make sense to preclude insurance for the acreage when the crop that was previously produced is the same crop for which insurance is being sought.

FCIC also proposes to revise redesignated section 9(a)(3) and adding an exception for sorghum silage to be consistent with the change proposed in the new section 9(a)(2);

(j) Section 10—In section 10(a), FCIC proposes to clarify that the person completing an application for insurance must have a share in the crop that will be insured. There have been situations where the producer may produce the crop but actually has no risk of loss. For example, the producer contracts with a processor who guarantees a fixed payment regardless of whether the crop is actually produced. In such case, if there are crop losses, such losses are borne by the processor, not the producer, and the producer would not have an insurable share. This change is putting the producer on notice that unless the producer has a risk of loss, insurance will not attach.

FCIC is also proposing to revise section 10(a) to add provisions that would allow parents and children, spouses, or members of the same household to insure each other's share in the same manner as landlords and tenants because, as a practical matter, there is no difference in these situations. There are many instances where family members all farm together even though they have separate insurable interests and it would reduce the burden on all parties if such persons were allowed to insure under one contract. FCIC does not believe it would have any impact on program integrity by allowing one contract to insure all such shares.

FCIC is also proposing to revise section 10(b) to clarify when the acreage or interest of the spouse, child or household member will be included in the insured's share under the policy. FCIC is clarifying that the acreage and share must be combined into one policy unless the spouse can demonstrate that he or she has a separate farming operation. Further, the acreage and share will be combined into one policy unless the child or member of the household can demonstrate they have a separate insurable interest. There has been confusion regarding when spouses, children, and household members are allowed to have separate policies because no guidance was provided in the policy. Further, there may be program vulnerabilities if spouses, children, or household members can insure separately because it could allow producers to increase their benefits over what they would be entitled to under the underlying policy because it would permit separate policies for irrigated and non-irrigated acreage or insuring high-risk land separately from low risk land. This clarification will ensure consistent application of the provisions and eliminate program vulnerabilities;

(k) Section 12—FCIC proposes to add provisions to section 12(d) that would clarify coverage for the inability to prepare the land for irrigation using the producer's established irrigation method (e.g., furrow irrigation) if the inability is due to an insured cause of loss specified in the Crop Provisions. There have been situations where the producer has been unable to prepare the land for irrigation and it has been unclear whether the producer was eligible for a prevented planting payment or indemnity. FCIC has determined that this situation should be covered the same as failure or breakdown of the irrigation equipment or facilities because in each instance, an insurable cause of loss is causing the inability to properly irrigate the crop and it should not make a difference if the cause occurred before or after the installation of the irrigation equipment.

FCIC also proposes to add a new section 12(g) to clarify that although price changes do not have to be caused by natural occurring events, they will not be covered if they are caused by the acts of third persons, such as terrorist attacks or chemical drift. FCIC also proposes to add provisions that would exclude such coverage for yield protection policies and policies where revenue protection is not available. Even though the Act requires losses to be due to natural disasters, when using the Commodity Exchange markets, it is difficult to determine the cause of the price change. To avoid imposing an impossible burden on producers to prove the cause of loss that caused the price change, FCIC determined it would be more appropriate to disallow coverage when the cause of the price change is known to be the act of a third person;

(l) Section 13—FCIC proposes to add provisions to section 13(a) to specify if the crops to be replanted are in a whole-farm unit, the 20 acres or 20 percent requirement is to be applied separately to each crop to be replanted in the whole-farm unit. To require the 20 acre and 20 percent requirement to apply to the entire whole-farm unit could result in the payment of replant payments when only a fraction of each crop is

replanted. This would allow replant payments for the whole-farm unit that would not be permitted for any other type unit.

FCIC also proposes to revise section 13(c) to have the actual costs of replant be the default amount but to allow this amount to be changed in the Crop Provisions or Special Provisions. FCIC is currently in the process of contracting a replant study to determine the appropriate costs of replanting. It is currently a significant burden for approved insurance providers and producers to provide the actual costs of replanting. If the study shows the amount of actual replant costs are consistently higher than the amounts specified in the Crop Provisions, then the Crop Provisions or Special Provisions can be revised to not require the actual cost to replant to be considered;

(m) Section 14—Your Duties—FCIC proposes to restructure the section to improve readability and eliminate duplicate references. FCIC also proposes to add references to revenue protection throughout the section where appropriate to reflect this newly added coverage under the Common Crop Insurance Policy Basic Provisions. In redesignated section 14(b), FCIC proposes to revise the provisions to now require notice the earlier of within 72 hours after the discovery of damage or within 72 hours after the end of the insurance period, regardless of whether the producer has harvested the crop. This change is needed because there may be circumstances where the producer is unable to harvest the crop before the end of the insurance period or even 15 days after. In such case the producer may have no knowledge whether a loss has occurred. Therefore, it would have been impossible for the producer to timely give notice. Now producers will have to give notice not later than 72 hours after the end of the insurance period regardless of whether the producer knows whether there is damage. This will allow the approved insurance provider to timely make any necessary appraisals and determine any insurable damage.

With respect to revenue protection, FCIC also proposes to add provisions requiring the producer give notice of expected revenue loss not later than 45 days after the latest date the last harvest price is released for any crop in the unit. This should provide sufficient time for the producer to discover the harvest price and provide notice. This date is needed because the harvest price may be released after the calendar date for the end of the insurance period.

However, since revenue losses can be caused by loss of production, the producer with revenue protection must still comply with the 72 hour notice requirement pertaining to damage of the crop. Further, FCIC proposes that if the producer fails to comply with these production loss notice provisions, production losses will be considered due to an uninsured cause of loss unless the approved insurance provider is able to accurately determine the amount and cause of the loss. Timely notice of loss is required to allow the approved insurance provider to accurately determine not only the amount of production loss but the cause of loss. Late notices of loss can result in the approved insurance provider being unable to verify the claimed cause of loss. Therefore, these deadlines must be strictly enforced unless the approved insurance provider determines it has the ability to accurately determine the amount and cause of the loss. FCIC also proposes that if timely notice of a production loss is provided, notice of the revenue loss is not required because the approved insurance provider already will know of the potential loss.

FCIC also proposes to restructure the consequences of failing to provide the requisite notice because the failure to comply with the notice provisions was previously contained in the same section as the consequences of failing to comply with other provisions in section 14, which had the capacity to lead to confusion. Now each subsection contains its own obligations and consequences for failing to fulfill those obligations.

FCIC also proposes to add a provision placing the producer on notice of the consequences of failing to obtain the approved insurance providers consent before taking specific actions. The obligation is contained in the Common Crop Insurance Policy Basic Provisions but the consequences are contained in the Crop Provisions. This raises the possibility of an inadvertent conflict so FCIC has included a cross reference to provide greater clarity.

FCIC proposes to revise the claims provisions so all requirements are together and add a provision that states for revenue protection that a claim for indemnity must be submitted declaring the amount of the producer's loss by the later of 60 days after the latest date the harvest price is released for any crop in the unit or 60 days after the latest end of the insurance period date for the unit, unless an extension is requested and granted by the approved insurance provider, to be consistent with the notice requirement for production loss claims.

FCIC also proposes to revise the provisions to specify that the burden of proof is on the producer to prove that he or she has suffered an insurable cause of loss, that this insurable cause of loss damaged the crop, the cause and the loss occurred during the insurance period, and the extent of the damage. Failing to meet any of these requirements will result in denial of the claim;

(n) Section 14—Our Duties—FCIC proposes to add provisions allowing preliminary indemnity payments to be made prior to the release of the harvest price if the producer has not elected the harvest price exclusion option. This will allow for the timely payment of claims and avoid any undue hardship that may result from the delay from the release of the harvest price. Because the policy protects against both price increases and declines and the production to count has already been established, there is no way that preliminary payments could result in overpayment. Therefore, program integrity will not be adversely affected;

(o) Section 15—FCIC proposes to revise section (b)(1) to specify if the producer's claim was settled based on appraised production and the insured later harvested that acreage, if the insured fails to provide the harvested production records, the insured will be required to repay the indemnity. Current provisions require the producer to provide such records but do not state the consequences for failing to do so. FCIC also proposes to revise section (c) to remove the references to Form FCI–78 ''Request To Exclude Hail and Fire'' because that may not be the name on the form used to exclude hail and fire that is used by insurance providers;

(p) Section 17—FCIC proposes to revise the provisions in section 17(a)(1) to specify that prevented planting payments may be made only on insurable acreage. There have been questions in the past with respect to whether the provisions regarding insurable acreage applied to prevented planting acreage. This provision makes it clear that the insurable acreage provisions are applicable. FCIC also proposes to revise section 17(a)(3) for clarity.

In section 17(b)(4), FCIC also proposes to clarify that prevented planting coverage levels cannot be increased if any cause of loss has occurred. The current provisions specify that prevented planting coverage cannot be increased if there has been a cause of loss that could or will prevent planting. FCIC has found that it may be impossible to make such determinations at the time the producer is seeking to

increase coverage because the approved insurance provider cannot predict whether the cause of loss really would cause prevented planting when other intervening events could change the outcome.

In section 17(d), FCIC proposes to suggest possible resources that can be utilized by approved insurance providers and producers to determine whether the producer has a reasonable expectation of having adequate water to carry out an irrigated practice. The current policy provision imposes this requirement and many questions have arisen regarding what resources to use to make such determinations. Now approved insurance providers and producers will both know the sources of information so there can be consistent application of the requirement. FCIC also proposes to revise provisions regarding the time that a reasonable expectation regarding the adequate water will be determined because such determination is made on the final planting date or during the late planting period. This removed the potential conflict with section 17(d) (redesignated as section 17(d)(1)), which referred to ''on the final planting date.''

In redesignated section 17(d)(1) and (d)(1)(ii) and new paragraph (d)(2), FCIC proposes to add references to the inability to prepare the land for irrigation using the producer's established irrigation method to be consistent with FCIC's proposed change in section 12 to add such inability as an insured cause of loss. As stated above, such inability is similar to the failure of the irrigation equipment or water supply and should be a covered peril under the policy.

FCIC proposes to move provisions currently in section 17(a)(1) that specify failure to plant when other producers in the area were planting will result in denial of the prevented planting claim to new section 17(d)(2). This change will result in the requirement only applying to causes of loss other than drought, failure of the irrigation water supply, failure of the irrigation equipment or facilities, or the inability to prepare land for irrigation. This change is proposed because under drought conditions some producers may plant in anticipation of receiving adequate precipitation, even though some producers do not plant. Producers should not be penalized because they elect not to take the risk.

In section 17(e), FCIC proposes to eliminate the chart and restructure the provisions used to determine the number of crop acres that are eligible for a prevented planting payment to make them easier to read. In new section 17(e)(1)(i), FCIC proposes to clarify if the producer's APH database contains actual planted acreage in any of the four most recent crop years that producer will be considered to have planted. This makes it clear in cases where the specific producer did not actually plant acreage in any of the four most recent crop years but approved APH procedures allow that producer to use someone else's planted acres in his or her database, that producer will be considered to have planted and will not be eligible to submit an intended acreage report. This is to remove the ambiguity regarding the situation where producers may not have planted the acreage but acquired the acreage for the current crop year and 7 CFR part 400, subpart G authorizes the producer to use the history from that other acreage in his or her own APH database.

Also, FCIC proposes to add provisions to section 17(e)(1) that would allow the producer to add or allow eligible irrigated prevented planting acres when a producer adds acreage to the farming operation that already contains irrigation facilities or the producer adds irrigation equipment to acreage that previously was non-irrigated. Under the current provisions, if the producer had no irrigated acreage the previous year, the producer was not eligible for prevented planting for an irrigated practice even if the producer had purchased or leased land with irrigation facilities. Further, there have been questions regarding whether producers could increase their eligible prevented planting acreage for an irrigated practice if the producer simply elected to add irrigation facilities to existing acreage. FCIC determined that there is no reason to deny prevented planting for the irrigated practice when the producer can demonstrate that the producer had the irrigation equipment available to irrigate all the acreage. However, the provisions that prorate the new irrigated land to the insurable crop will still be applicable. Further, the provision regarding the reasonable expectation of water will still apply and may limit the irrigated acreage eligible for prevented planting.

In new section 17(e)(1)(ii), FCIC proposes to allow a producer to submit an intended acreage report after the sales closing date provided the intended report is submitted within 10 days after the new acreage is obtained and no cause of loss has occurred. This is to allow prevented planting coverage for acreage acquired after the sales closing date provided it would have been possible to plant the acreage using good farming practices and no cause of loss that may prevent planting has occurred at the time the producer acquired the acreage.

In section 17(f)(1), FCIC proposes to clarify that the requirement that prevented planting acreage constitute at least 20 acres or 20 percent of the insurable crop acreage in the unit applies on an individual crop basis when there is a whole-farm unit. This is consistent with proposed changes for a replanting payment when there is a whole-farm unit.

In section 17(f)(4), FCIC proposes to remove provisions requiring the insured producer to provide information regarding prevented planting payments previously made to another producer because it is not always practical for an insured producer to access or obtain such records. FCIC also proposes to revise provisions regarding double-cropping records so producers will be required to prove they have double cropped in past years when the second crop for which prevented planting is being claimed was grown. The current provisions require records of double cropping in past years when the first crop that was prevented from being planted was grown, even though it is the subsequent (second crop that is prevented from being planted) crops prevented planting eligibility that is being determined.

In section 17(f)(6), FCIC proposes to clarify that cover or volunteer crops that are in place longer than twelve months prior to the final planting date for the insured crop will be considered to be a pasture or forage crop and will result in no prevented planting payment if such crop is still in place when planting of the insured crop would normally take place. The purpose of section 17(f)(6) was to preclude prevented planting payments for acreage where there is no indication the producer ever intended to plant the acreage. This change will remove the ambiguity regarding the period for which the crop must be in place to distinguish between cover crops and pasture or other forage crops.

In section 17(f)(9), FCIC proposes to clarify the provisions that state that the producer is presumed to have adequate inputs to plant a crop if the producer has previously planted the crop. There have been instances where producers have claimed prevented planting when they had planted the crop the previous year but in the interim they have otherwise disposed of their necessary inputs, such as selling their equipment. There are questions whether the existing presumption would override the language requiring proof of the necessary inputs to allow the producer to collect a prevented planting payment. This change resolves those questions

and removed the presumption when there is evidence the producer would be unable or did not intend to plant the crop.

In sections 17(h) and (h)(1), FCIC also proposes to add provisions indicating a prevented planting payment may not exceed the amount payable for the crop that was prevented from being planted when the crop has no remaining prevented planting eligible acres and another crop's eligible prevented planting acreage is used. Further, if a crop with a higher prevented planting payment is prevented from being planted, and the remaining base acres are for a crop with a lower prevented planting payment, the additional acres claimed for prevented planting for the crop with the higher prevented planting payment would be paid based on the crop with the lower prevented planting payment. This change is necessary to protect program integrity by not allowing the prevented planting payment to exceed the amount that would have been paid for the crop that was actually prevented from being planted. This will prevent producers from manipulating their claimed prevented planting acres to maximize a prevented planting payment when it is not supported by the planting history. The following examples illustrate the effect of the proposed change. A producer claims 200 acres of corn have been prevented from being planted. The producer has 100 acres eligible for corn prevented planting that would result in a payment of $40 per acre and 100 potato acres eligible for potato prevented planting that would result in a payment of $100 per acre. In such case, the producer will receive a prevented planting payment based on the 100 eligible corn acres and the 100 eligible potato acreage but all 200 acres will be paid at $40. In another example, a producer claims 300 acres of potatoes have been prevented from being planted. The producer has 100 acres eligible for potato prevented planting that would result in a payment of $100 per acre, 100 acres eligible for corn prevented planting that would result in a payment of $40 per acre, and 100 acres eligible for wheat prevented planting that would result in a payment of $25 per acre. In such case, the producer will receive a prevented planting payment based on the 100 eligible potato acres at $100 per acre, the 100 eligible corn acreage at $40 per acre, and the 100 eligible wheat acres at $25 per acre.

In section 17(h)(2), FCIC also proposes to remove provisions indicating that no payment may be made on an irrigated basis when a non-irrigated crop is prevented from being planted. The intent of these provisions was to prevent producers from receiving prevented planting payments higher than the amount to which they were entitled based on the crop that was actually prevented from being planted. These provisions are no longer necessary because of the above stated proposed changes to limit the prevented planting payment.

In section 17(i), FCIC proposes to restructure the provisions and include language related to the projected price for revenue policies. Without this language, it would be unclear what price would be used to calculate prevented planting payments;

(q) Section 18—FCIC proposes to revise section 18(c) to specify that a projected price and harvest price as provided for in the Commodity Exchange Price Provisions, as applicable, or price election or amount of insurance, as applicable, must be included in the written agreement. The provision is also proposed to be revised to specify how prices are to be determined for crops for which revenue protection is not available, and for crops for which revenue protection is available and selected or yield protection is selected. A written agreement will not be approved by FCIC if an appropriate projected price, price election, or amount of insurance, as applicable, cannot be provided for the crop. This is to protect program integrity by preventing the over or under insurance of a crop when the appropriate price cannot be determined.

FCIC also proposes to revise the provisions in section 18(e)(2)(i) to provide discretion when an inspection may be required because there are situations when the crop may not even have been planted when the inspection is to have occurred. FCIC also proposes to revise the provisions to recognize situations in which multiple appraisals may be required or the expiration date for the written agreement occurs before a required inspection. The proposed provisions require the producer to sign the written agreement on the day the first field is appraised or by the expiration date, which ever comes first.

FCIC also proposes to revise section 18(e)(2)(ii) to include reference to the time a written agreement request must be submitted to insure a practice, type or variety where there are no actuarial documents for the practice, type or variety.

FCIC proposes to revise section 18(f)(1)(iv) to include the common land unit number because such a unit of measure may be used when FCIC and the Farm Service Agency develop their common reporting system.

FCIC proposes to revise section 18(f)(2)(i) by adding the requirement that the submitted APH form be signed by the producer because it is necessary the producer certify to the correctness of the information being provided. FCIC also proposes to add a new section 18(g)(4) that will specify that written agreements will only be accepted if they are authorized by the policy. This will make it very clear that written agreement requests will only be accepted to modify those policy provisions that state that they may be modified by written agreement.

FCIC also proposes to add a new section 18(o) to clarify that if an insured disagrees with any determination made by FCIC regarding a written agreement, the insured may obtain an administrative review in accordance with 7 CFR part 400, subpart J or appeal in accordance with 7 CFR part 11, unless the insured failed to comply with the provisions contained in section 18(g) or section 18(i)(2) or (3). This provision is necessary because it was unclear what administrative appeal rights were available to the producer and under what circumstances the producer could exercise those rights;

(r) Section 20—For FCIC Policies—FCIC proposes to revise the provisions in section 20(b)(1) to specify that any determination made by FCIC under section 18(g), section 18(i)(2) or (3), or section 20(b)(2) is not subject to either administrative review under 7 CFR part 400, subpart J or appeal under 7 CFR part 11. This revision is necessary to eliminate any conflict between the provisions contained in section 18 and section 20 regarding which determinations made by FCIC are subject to administrative review or appeal.

In redesignated section 20(d), FCIC proposes to revise the provisions to clarify that a producer does not have to exhaust reconsideration rights before filing suit. This change is to ensure consistency with section 508(a)(3)(B) of the Act. Statutorily, producers have the choice of seeking an informal administrative appeal or bringing suit;

(s) Section 20—For Reinsured Policies—FCIC proposes to revise the provisions in section 20(d) to clarify a producer does not have to exhaust reconsideration rights before filing suit. This is to avoid any ambiguity regarding the effects of section 508(a)(3)(B) of the Act on whether producers are required to exhaust informal administrative appeals. The provisions are also changed so that all determinations regarding good farming practices will be made by FCIC. This change is made to ensure that the good farming practice

determination can only be reversed or modified during judicial review if the determination is arbitrary or capricious. Under the previous provisions, it was unclear who was making this determination but this proposed rule is making it clear that FCIC is making the determination that may be judicially appealed.

FCIC proposes to revise the provisions of section 20(e) to specify that any determination made by FCIC under sections 18(n), 18(o) or 20(d) is not subject to either administrative review under 7 CFR part 400, subpart J or appeal under 7 CFR part 11. This revision is necessary to eliminate any conflict between the provisions contained in section 18 and section 20 regarding which determinations made by FCIC are subject to administrative review or appeal.

FCIC also proposes to revise section 20(j) by removing the reference to FCIC's election to participate in the adjustment of a claim. Such language is not necessary because the right to appeal is based on whether FCIC modifies, revises or corrects the claim, not whether it elected to participate;

(t) Section 21—FCIC proposes to revise section 21(b)(2) to clarify the example regarding the length of time production records must be kept. The new example clearly illustrates the situation in which a producer initially certifies several years of records and then certifies the most recent year's production records for the subsequent crop year. FCIC also proposes to add a new section 21(b)(3) to specify yields that are knowingly misreported may be adjusted, regardless of whether the record retention period has expired.

(u) Section 28—FCIC proposes to revise the provisions by breaking them into paragraphs to improve readability. FCIC also proposes to revise the provisions to allow insurance coverage to be transferred when a person's share is transferred after the sales closing date, but before insurance attaches to a crop. There have been questions regarding the transfer of coverage before the crop has been planted and before coverage has attached. To clarify this situation, FCIC is proposing to allow the transfer of a right to coverage in this situation. The other provisions have been revised to be consistent with this proposed change. FCIC also proposes to clarify that coverage levels, approved yields and prices continue to apply to the transferred coverage and that no indemnity will exceed the liability otherwise owed under the policy. This is to prevent the transfer of coverage to be used as a means to increase liability or coverage under the policy. FCIC also proposes to clarify provisions regarding joint and several liability to limit such liability to the coverage that has been transferred. For example, a producer transfers coverage on 20 acres in a 100 acre unit. The transferee would only be jointly and severally liable for the premium on the 20 acres, not the whole unit;

(v) Section 29—FCIC proposes to restructure section 29 to make the provisions more readable. FCIC also proposes to add provisions to limit the assignments to the producer's legitimate creditors because there have been instances where producers have assigned the indemnity to family members or other people to whom no money was owed. FCIC also proposes to require that all assignments must be provided to the approved insurance provider on their form and that only one assignment form will be accepted for each crop. FCIC also proposes to add provisions to make it clear that the approved insurance provider will not be liable for more than 100 percent of the indemnity that is owed under the policy. FCIC also proposes to add provisions that clarify that no liens will be honored unless there is an assignment of indemnity to the lienholder. There have been instances where lienholders without assignments have sought to enforce their liens against the approved insurance providers and have prevailed even though section 509 of the Act precludes liens on the indemnity before it is provided to the producer;

(w) Section 30—FCIC proposes to remove the provisions in section 30 and reserve the section because there are no instances where the producer would have a right of subrogation against a third person where the loss would be covered under the policy. The policy only covers naturally occurring events or changes in prices established through commodity markets, which cannot be caused by a third person. To be consistent with other policy provisions, in cases where a third person causes the loss, claims should be denied or if already paid, they should be repaid by the producer;

(x) Section 34—FCIC proposes to clarify section 34(a)(1) by specifying the election for an enterprise or whole-farm unit must be made by the earliest sales closing date for any insured crop in the unit. The current provisions indicate the election must be made by the earliest sales closing date for the insured crops and questions have been raised whether this means only the insured crops in the unit or all insured crops. Since an enterprise unit is made up of only one crop in the county, its sales closing date will control regardless of whether another crop is produced on the farm with an earlier sales closing date. However, with respect to the whole-farm unit, the crop with the earliest sales closing date in the unit will control and the election for the whole-farm unit must be made at that time.

FCIC also proposes to revise section 34(a)(2) to add the provisions that enterprise units must be comprised of one or more basic units in separate sections or section equivalents that were previously in the definition of enterprise units because such provisions were considered substantive in nature. FCIC also proposes to add a new paragraph (ii) that specifies that both winter and spring types of the same insured crop cannot be included in the same enterprise unit. Both spring and winter types cannot be included in the same enterprise unit because it would delay the payment of any claim until any losses could also be determined for the spring types. This would impose an undue hardship on producers. Further, spring and fall types have separate acreage reporting dates and prices. This would make it difficult to establish the revenue protection guarantees or premium until such information is available for the spring variety. Separate enterprise units are permitted for each type.

FCIC also proposes to revise the requirement that producers provide records applicable to the basic or optional unit to make it clearer that separate records only need to be maintained if the producer intends to insure the acreage as an optional unit or basic unit in the following crop year.

FCIC also proposes to remove the provisions in section 34(a)(2)(iv) because the revised provisions in section 34(a)(2) provide the only basis for enterprise units. Therefore, this language is redundant.

FCIC also proposes to remove the statement that the discount contained in the actuarial documents will only apply to acreage in the enterprise unit that has been planted. This statement actually applies to basic, enterprise and whole-farm units and the provisions for all these unit structures need to reflect that the applicable discount only applies to planted acreage. Therefore, the provision is being moved to a newly added section 34(f). Discounts do not apply to prevented planted acreage because such acreage is considered separately from planted acreage, including the payment of indemnities.

FCIC also proposes to include provisions requiring the producer to separately designate on the acreage report each basic unit and each section

or other means used to qualify for an enterprise unit. This requirement is necessary to determine if the acreage qualifies for the enterprise unit structure and to allow approved insurance providers to establish the basic unit structure in the event the producer does not qualify for the enterprise unit.

In section 34(a)(3), FCIC proposes to remove the provision requiring producers to report the optional units on the acreage report. The number or type of optional units underlying the whole-farm unit was never applicable to the eligibility for a whole-farm unit. All that matters is the number of crops and their percentage relationship to the total liability for the whole-farm unit. Therefore, this provision adds unnecessary paperwork for the producer and agent. However, the requirement to designate each basic unit is retained to allow approved insurance providers to determine the appropriate basic units should it be determined that the producer does not qualify for a whole-farm unit.

FCIC proposes to add provisions to specify a whole-farm unit must contain insurable planted acreage of at least two crops and at least two of the insured crops must each constitute 10 percent or more of the total liability of all insured crops in the whole-farm unit. These provisions were previously in the definition of whole-farm unit but since they are substantive, they are more appropriately included here. FCIC also proposes to add the provisions that preclude fall and winter types of the insured crop from being included in the whole-farm unit. The same timing issues apply to whole-farm units as are discussed above with enterprise units.

FCIC also proposes to add an example for situations where the acreage is not eligible for a whole-farm unit and it is separated into the basic units.

FCIC also proposes to revise provisions in section 34(c)(1) to allow land that is described by other means (such as metes and bounds) to qualify for optional units in accordance with FCIC approved procedures. Previously such acreage was only insurable by written agreement but FCIC has determined that it can establish procedures that will be easy to administer and applied in a fair and consistent manner; and

(y) Section 35—FCIC proposes to restructure the provisions for clarity and add provisions specifying how to determine the amount of the actual loss for crops with and without revenue protection. The previous provisions referred to the fair market value of the insured commodity, the production records, and price elections. However, it did not explain how this information would be used, and fair market value is generally not a term that is used to determine the value of the crop before or after a loss. Therefore, FCIC has redrafted the provision to specify exactly how the actual amount of the loss is determined and how to calculate the value of the crop before and after a loss.

FCIC also proposes to add a new section 35(d) that informs the producer that failure to obtain crop insurance may impact the producer's ability to obtain benefits under other USDA programs and the producer should contact any USDA agency from which the producer wishes to obtain benefits to determine eligibility requirements. The Agricultural Assistance Act of 2003 eliminated the permanent linkage between crop insurance payments and other farm program benefits. Now FSA will determine whether linkage applies based on the requirements of the farm programs.

6. Basis for Specific Changes to the Small Grains Crop Insurance Provisions

The proposed changes are as follows:

(a) Section 3—FCIC is proposing to add a new section 3(a) to specify that revenue protection is not available for the producers' oats, rye, flax, or buckwheat. Therefore, if the producer elects to insure such crops by the sales closing date, they will only be protected against a loss in yield. Those crops were previously insured only with APH. Since revenue protection is not available for these crops, they will continue to use price elections as specified in the new sections 3(a)(1) and (2). FCIC is also proposing to add a new section 3(b) to specify that, since revenue coverage is available for wheat and barley, the producer must elect to insure wheat or barley with either revenue protection or yield protection by the sales closing date. Wheat was previously insured under APH, CRC, RA and IP. Barley was previously insured under APH, RA and IP. FCIC is also proposing to correct the price references for wheat and barley to use projected price and harvest price. This is necessary because wheat and barley will no longer use price elections. If the producer elects yield protection, the price used to determine both the value of the production guarantee and the value of the production to count for indemnity purposes will be the projected price. If the producer elects revenue protection, the higher of the projected price or the harvest price is used to calculate the production guarantee, unless the harvest price exclusion option is selected, and the harvest price is used to value the production to count. FCIC is proposing to add a new section 3(b)(2) to specify the projected price and harvest price for each type must have the same percentage relationship to the maximum projected price and harvest price. FCIC is also proposing to add a new section 3(b)(3) to specify that in counties with both fall and spring sales closing dates for the insured crop: (1) If the producer does not have any insured fall planted acreage of the insured crop, the producer may change the coverage level, percent of projected price and harvest price, or elect revenue protection or yield protection until the spring sales closing date; or (2) if the producer has any insured fall planted acreage of the insured crop, the producer may not change the coverage level, percent of projected price and harvest price, or elect revenue protection or yield protection after the fall sales closing date. This provision would only affect wheat and barley because they are the only small grain crops that may be planted in the fall and have spring sales closing dates;

(b) Section 5—FCIC is proposing to amend section 5 to specify: (1) All Nebraska counties for wheat except Box Butte, Dawes, and Sheridan will have a September 30 cancellation date and a September 30 termination date; and (2) Box Butte, Dawes, and Sheridan counties, Nebraska, will have a September 30 cancellation date and a November 30 termination date. This change is needed to make the dates for these three counties consistent with other counties where both winter and spring wheat are insured. FCIC is also proposing to change the wheat cancellation dates and termination dates for Roosevelt and Valley Counties, Montana, from September 30 and November 30 to March 15 and March 15, respectively. This change is needed because almost all wheat planted in these counties is spring wheat and it is no longer necessary to provide actuarial materials specifically for winter wheat;

(c) Section 6—FCIC proposes to add a new paragraph (a)(5) to specify that buckwheat will be insured only if it is produced under a contract with a business enterprise equipped with facilities appropriate to handle and store buckwheat production and to specify the terms that must be included in the contract. This change is necessary to protect program integrity by ensuring there is a market for insured production before coverage is provided;

(d) Section 7—FCIC is proposing to revise the introductory text in section 7 to be consistent with the format of other similar Crop Provisions. FCIC is also

proposing to revise subsection (a)(2) by dividing subparagraphs (iii) and (v) into clauses for clarity. FCIC is also proposing to replace ''and price election'' with '', projected price, and harvest price'' in both subparagraphs because these subparagraphs are only referring to barley and wheat, which may be insured under revenue protection so a price election is not applicable;

(e) Section 8—FCIC is proposing to revise the introductory text of section 8 to be consistent with the format of other similar Crop Provisions. In section 8(h), FCIC is proposing to clarify that failure of the irrigation water supply that occurs during the insurance period is a covered cause of loss if such failure is due to a cause of loss specified in the Crop Provisions. Previously the provision only stated failure of the irrigation supply was covered and did not have any qualifiers, which could have been interpreted to extend beyond the named perils. Now the provision is consistent with other Crop Provisions and ensures that only named perils are covered under the policy. Also, FCIC is proposing to add a new section 8(i) that specifies that a decline in the harvest price below the projected price is an insured cause of loss to allow for revenue protection;

(f) Section 9—FCIC is proposing to revise section 9(c) to specify that oats, flax, and buckwheat will use a ''price election'' and wheat and barley will use a ''projected price'' in the computation of any replant payment. FCIC also proposes to revise the format to make the provision easier to read;

(g) Section 10—FCIC is proposing to revise section 10 to be consistent with the format of other similar Crop Provisions. FCIC is also proposing to revise section 10 to remove those provisions regarding representative samples that are now incorporated into section 14 of the Common Crop Insurance Policy Basic Provisions;

(h) Section 11—FCIC is proposing to revise section 11(b) regarding the method used to compute a claim to provide separate calculations for claims that are based on yield protection from those that are based on revenue protection and adding an example. This change is necessary because yield protection only measures the change in the production and values the production guarantee and production to count at the same projected price. However, revenue protection measures both the change in production and the change in price and different prices may be used to determine the value of the guarantee (i.e., higher of the projected or harvest price) and the production to count (i.e., the harvest price); and

(i) Section 13—FCIC is proposing to remove the reference to limited level of coverage in section 13(b) since it is no longer applicable.

7. Basis for Specific Changes to the Cotton Crop Insurance Provisions

The proposed changes are as follows:

(a) Section 2—FCIC is proposing to add a new section 2(a) to specify that the producer must elect to insure cotton with either revenue protection or yield protection by the sales closing date. Cotton was previously insured under APH, CRC, RA, and IP. In redesignated section 2(b), FCIC is also proposing to correct the price references to use projected price and harvest price. This is necessary because cotton has revenue protection available so it will no longer use price elections. If the producer elects yield protection, the price used to determine both the value of the production guarantee and the value of the production to count for indemnity purposes will be the projected price. If the producer elects revenue protection, the higher of the projected price or the harvest price is used to calculate the revenue production guarantee, unless the harvest price exclusion option is selected, and the harvest price is used to value the production to count;

(b) Sections 3, 4, 6, and 7—FCIC is proposing to revise the format of sections 3, 4, 6, and 7 to be consistent with other similar Crop Provisions. This will make the provisions easier to read;

(c) Section 5—FCIC is proposing to revise the format to be consistent with other similar Crop Provisions. FCIC is also proposing to remove section 5(b)(5) and revise section 5(b)(4) to specify, unless allowed by the Special Provisions or by written agreement, cotton will not be insured if it is grown on acreage following a small grain crop or harvested hay crop in the same calendar year unless the acreage is irrigated. Previously, cotton grown on non-irrigated acreage following a small grain crop that had 50 percent or more of the small grain plants reach the heading stage was not insurable. However, this provision could not be administered effectively. In most instances, it is impossible to accurately determine if 50 percent of the plants reach the heading stage, especially if the small grains were grazed. The key issue is the availability of soil moisture for the cotton crop and it was determined that as a practical matter, there is insufficient soil moisture unless the crop is irrigated. In those instances where the producer feels there is sufficient moisture, the producer can seek a written agreement;

(d) Section 8—FCIC is proposing to revise the format of section 8 to be consistent with other similar Crop Provisions. In section 8(h), FCIC is also proposing to clarify that failure of the irrigation water supply that occurs during the insurance period is a covered cause of loss if such failure is due to a cause of loss specified in the Crop Provisions. Previously the provision referred to an unavoidable cause of loss, which could have been interpreted to extend coverage beyond the named perils. Now the provision is consistent with other Crop Provisions and ensures that only named perils are covered under the policy. Also, FCIC is proposing to add a new section 8(i) that specifies that a decline in the harvest price below the projected price is an insured cause of loss to allow coverage for revenue protection;

(e) Section 9—FCIC is proposing to revise section 9 to be consistent with the format of other similar Crop Provisions. FCIC is also proposing to revise section 9(a)(2) by redesignating it as 9(b) and removing those provisions regarding representative samples that are now incorporated into section 14 of the Common Crop Insurance Policy Basic Provisions. FCIC is also proposing to remove section 9(b) and adding that provision to section 9(a);

(f) Section 10—FCIC is proposing to revise section 10(a) to clarify that the required records of production to qualify for unit division must be acceptable to the approved insurance provider. This makes the provision consistent with section 10(a)(1), which refers to the consequences if acceptable records of production are not provided. Acceptable records are required because they must be of a type that would permit the approved insurance provider to independently verify the information. If the information cannot be verified, approved insurance providers have no way of knowing whether the production reported is accurate. FCIC is also proposing to revise section 10(b) regarding the method used to compute a claim to provide separate calculations for claims that are based on yield protection from those that are based on revenue protection and adding an example. This change is necessary because yield protection only measures the change in the production and values the production guarantee and production to count at the same projected price. However, revenue protection measures both the change in production and the change in price and different prices may be used to determine the value of the guarantee

(i.e., higher of the projected or harvest price) and the production to count (i.e., the harvest price). FCIC also proposes to revise section 10(d) to change the percentage of price quotation ''B'' from 75 percent to 85 percent. Based on input from the cotton industry and insurance providers, FCIC determined that 85 percent of price quotation B more accurately reflects the correct threshold for quality adjustment eligibility. The Special Provisions for cotton have been used to establish the 85 percent threshold in all counties with a cotton program since the 2000 crop year. Also, FCIC proposes to revise section 10(d) to remove the reference to the ''Daily Spot Cotton Quotation published by the USDA Agricultural Marketing Service'' and replace it with the ''Upland Cotton Warehouse Loan Rate published by FSA'' because the Upland Cotton Warehouse Loan Rate will provide producers, the crop insurance industry, and other interested parties with a more uniform pricing methodology for insurance coverage purposes; and

(g) Section 11—Remove the reference to limited level of coverage since it is no longer applicable.

8. Basis for Specific Changes to the Coarse Grains Crop Insurance Provisions

The proposed changes are as follows:

(a) Section 1—FCIC proposes to revise the definition of ''planted acreage'' to specify that corn must be planted in rows far enough apart to permit mechanical cultivation only if the specific farming practice the producer uses requires mechanical cultivation to control weeds. In most cases, the current requirement that corn must be planted in rows far enough apart to permit mechanical cultivation is outdated because most corn producers who use conventional farming practices use herbicides or Round Up Ready Corn seed and then spray with Round Up herbicide to control weeds. Therefore, cultivation is no longer necessary. The definition will specifically require that producers plant corn in rows far enough apart to permit mechanical cultivation if mechanical cultivation is the required method of weed control for a particular farming practice utilized by a producer. For example, producers who use organic farming practices may need to cultivate between the corn rows to control weeds, since use of conventional herbicides for weed control and Round Up Ready Corn seed may be prohibited under the National Organic Program. FCIC is also proposing to revise the definition of ''production guarantee (per acre)'' by removing the phrase ''approved actual production history (APH) yield per acre, calculated in accordance with 7 CFR part 400, subpart G'' and replacing it with the term ''approved yield per acre.'' This change makes the definition consistent with the definition of ''production guarantee (per acre)'' contained in the Common Crop Insurance Policy Basic Provisions and removes the redundancy between the definitions. This is a technical matter and the actual meaning of the term is not changed;

(b) Section 2—FCIC is proposing to add a new section 2(a) to specify that the producer must elect to insure corn, grain sorghum, or soybeans with either revenue protection or yield protection by the sales closing date. Corn planted for grain was previously insured under APH, CRC, IP, IIP, and RA. However, the current APH corn policy also covers corn silage. Since the current APH corn policy covers both corn grain and corn silage, FCIC proposes to allow corn silage to be covered under revenue protection even though corn silage is not traded on any Commodity Exchange. To accomplish this, the projected price for corn silage will be established by FCIC in accordance with the Commodity Exchange Price Provisions and the harvest price will be set equal to the projected price. With both types of corn insured under revenue protection, the producer may qualify for a whole-farm unit. However, corn insured as silage will not have the benefit of coverage for an increase or decrease in the expected market price. In redesignated sections 2(b) and (c), FCIC is also proposing to correct all price references to use projected price and harvest price. This is necessary because all the coarse grain crops have revenue protection available so they will no longer use price elections. If the producer elects yield protection, the price used to determine both the value of the production guarantee and the value of the production to count for indemnity purposes will be the projected price. If the producer elects revenue protection, the higher of the projected price or the harvest price is used to calculate the revenue production guarantee, unless the harvest price exclusion option is selected, and the harvest price is used to value the production to count. FCIC is also proposing to remove current section 2(b), which stated if a producer harvests the corn crop in a manner other than reported (e.g., reported grain but harvested silage) a price election for the harvested type would be assigned for the purpose of determining the dollar value of production to count for the type of production harvested. This provision is no longer necessary due to the change proposed in section 10 that specifies that if a producer intends to harvest in a manner other than reported, the producer must notify the approved insurance provider before harvest begins. This will allow the insurance provider to appraise the crop based on the type insured, rather than using the type harvested;

(c) Section 3—FCIC is proposing to revise the format in section 3 to be consistent with other similar Crop Provisions;

(d) Section 4—FCIC is proposing to revise the cancellation and termination dates from January 15 to January 31 for corn and grain sorghum for certain Texas counties to be consistent with the changes required by the Consolidated Appropriations Act (H.R. 3194) for fiscal year 2000, which mandated that sales closing dates for any spring planted crop be not earlier than January 31. Also, FCIC is proposing to revise the cancellation and termination dates from February 15 to January 31 for soybeans for certain Texas counties because agronomic conditions in those counties allow producers to plant corn prior to the current February 15 date. To the maximum extent practical, sales closing, termination, and cancellation dates are usually the same date and set sufficiently ahead of time to prevent adverse selection from producers potentially having knowledge of growing conditions when they elect whether to continue their insurance coverage. Further, maintaining the same dates eliminates unnecessary administrative burdens on the approved insurance providers, agents and producers who have to track and comply with such dates;

(e) Section 5—FCIC is proposing to revise section 5(b)(2) to specify that high oil corn blends containing mixtures of at least 90 percent high yielding yellow dent female plants with high-oil male pollinator plants, or commercial varieties of high-protein hybrids are insurable. In the past, high oil or high protein corn was only insurable by written agreement because previous data suggested these varieties did not yield as high as insurable varieties. However, FCIC has reviewed data on newer seed varieties that have been developed and determined that the specified high oil and high protein corn varieties have comparable yields to other insured corn varieties and can be insured under the standard corn rates and coverage, without the need for a written agreement;

(f) Section 7—FCIC is proposing to revise section 7 to be consistent with the format of other similar Crop Provisions.

Also, in section 7(b), FCIC proposes to revise the calendar date for the end of the insurance period for corn insured as silage from September 30 to October 20 for Connecticut, Delaware, Idaho, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New Mexico, New York, Oklahoma, Oregon, Pennsylvania, Rhode Island, Texas, Vermont, Washington and West Virginia. Crop insurance covers the crop for the period that it is in the field. Therefore, the end of the insurance period needs to correspond with the time harvest is normally completed, and most corn producers in the above listed states do not normally complete harvesting silage production until October 20. The other states in section 7(b) will have the same September 30 end of the insurance period;

(g) Section 8—Revise to be consistent with the format of other similar Crop Provisions. In section 8(h), FCIC is also proposing to clarify that failure of the irrigation water supply that occurs during the insurance period is a covered cause of loss if such failure is due to a cause of loss specified in the Crop Provisions. Previously the provision referred to an unavoidable cause of loss, which could have been interpreted to extend coverage beyond the named perils. Now the provision is consistent with other Crop Provisions and ensures that only named perils are covered under the policy. Also, FCIC is proposing to add a new section 8(i) that specifies that a decline in the harvest price below the projected price is an insured cause of loss to allow coverage for revenue protection;

(h) Section 9—FCIC is proposing to revise section 9 to be consistent with the format of other similar Crop Provisions. FCIC is also proposing to revise section 9(a) to make inapplicable the provisions in section 13 of the Common Crop Insurance Policy Basic Provisions that limit the amount of a replant payment to the producer's actual cost. FCIC has reviewed the costs associated with replanting the coarse grain crops and determined that only in rare instances were the actual costs less than the amount determined in accordance with section 13 of the Common Crop Insurance Policy Basic Provisions. This meant there was a large administrative burden associated with obtaining receipts from the producer to prove costs with little effect on payment amounts. FCIC is currently in the process of contracting a replant study. Based on the results of the study, FCIC will propose to remove the limit of the producer's actual cost of replanting for other crops that the study shows the actual cost of replanting is rarely less than the maximum payment amount allowed by the Crop Provisions.

FCIC is also proposing to remove section 9(c), which allows the person who incurs the total cost of replanting to receive a replanting payment based on the total shares insured when more than one person insures the crop on a share basis. To make the provision work, FCIC required that the two producers with a share in the crop be insured with the same approved insurance provider before the producer incurring all the costs could receive the replant payment. This was necessary to allow the approved insurance provider to track the payments to ensure that not more than 100 percent of the replant payment was paid out (e.g., the tenant received a 100 percent replant payment from one approved insurance provider and the landlord received a 50 percent replant payment from another approved insurance provider). FCIC also required that both producers insure with the same approved insurance provider to ensure that the approved insurance provider making the 100 percent replant payment received 100 percent of the premium associated with replant payments (e.g. if producers with 50 percent shares insure with two approved insurance providers, each approved insurance provider would receive 50 percent of the premium associated with the replant payments). Subsequently, FCIC received complaints that this resulted in disparate treatment based on where the producers were insured because producers that insured with different approved insurance providers could not receive 100 percent of the replant payment even if they incurred 100 percent of the costs. FCIC has examined other means to allow the producer who incurs 100 percent of the replant costs to receive a 100 percent replant payment but has not found one that is administratively feasible. While FCIC has proposed to remove the provision, FCIC is seeking comments on alternative proposals that will allow FCIC to retain the provision and still address the concerns raised above.

Also, FCIC is proposing to add a new section 9(d) stating that replanting payments will be calculated using the projected price and production guarantee for the crop type that is replanted and insured. There have been instances where producers have replanted a different insured crop type that has different yields and prices than the type originally planted. This could result in the crop being over-insured or under-insured if the production guarantee and prices were based on the crop type originally planted. Instead, FCIC has proposed to add provisions to ensure that the production guarantee and replanting payment are based on the yield and prices for the type that is replanted. A revised acreage report will be required to reflect the replanted type, as applicable;

(i) Section 10—FCIC is proposing to revise section 10 to be consistent with the format of other similar Crop Provisions. FCIC is also proposing to revise section 10(a) to remove those provisions regarding representative samples that are now incorporated into section 14 of the Basic Provisions. Also, FCIC is proposing to revise section 10(b)(1) to change the reference to ''not later than 15 days after the end of the insurance period'' to ''not later than 72 hours after the end of the insurance period'' to be consistent with the change proposed in redesignated section 14(b) of the Basic Provisions. FCIC is also proposing to revise section 10(b)(2) to specify that if the producer has a unit in which both silage and grain are insured with different ends of the insurance period, for the purposes of the provision contained in section 14 of the Common Crop Insurance Policy Basic Provisions, which requires claims for indemnities to be submitted not later than 60 days after the end of the insurance period, the end of the insurance period is the latest end of the insurance period for the unit. As currently drafted, this provision was intended to apply in those limited situations where there is more than one end of the insurance period applicable to the unit but it could be interpreted to eliminate all the requirements of section 14(c) of the Common Crop Insurance Policy Basic Provisions. The revision makes very clear the limited scope of the provision and leaves the rest of the provisions in section 14 of the Common Crop Insurance Policy Basic Provisions applicable to all other situations. FCIC is also proposing to add a new section 10(c) that specifies if the producer intends to harvest the crop in a manner other than as it was reported, the producer must notify the insurance provider before harvest begins. This is to address those situations where the producer insured the crop, and received a production guarantee and paid a premium, based on harvesting the crop as grain but the producer later elects to harvest the crop as silage, or vice versa. In order to ensure that the proper amount of production to count on the basis for which the crop was insured is assessed, the crop must be appraised before harvest. It is too difficult to convert silage production to grain production, or vice versa, after the crop is harvested. Therefore, this notice is

necessary so the approved insurance provider can properly appraise the crop;

(j) Section 11—FCIC is proposing to revise section 11(a) to clarify that the required records of production to qualify for unit division must be acceptable to the approved insurance provider. This makes the provision consistent with section 11(a)(1), which refers to the consequences if acceptable records of production are not provided. Acceptable records are required because they must be of a type that would permit the approved insurance provider to independently verify the information. If the information cannot be verified, approved insurance providers have no way of knowing whether the production reported is accurate. FCIC is also proposing to revise section 11(b) regarding the method used to compute a claim to provide separate calculations for claims that are based on yield protection from those that are based on revenue protection and adding an example. This change is necessary because yield protection only measures the change in the production, and values the production guarantee and production to count at the same projected price. However, revenue protection measures both the change in production and the change in price, and different prices may be used to determine the value of the guarantee (i.e. higher of the projected or harvest price) and the production to count (i.e. the harvest price). Further, FCIC is proposing to add a provision in section 11(c) that specifies the total production will include not less than the production guarantee for the acreage if the producer fails to give notice before harvest begins if the corn will be harvested in a manner different than it was reported. This addition is necessary to provide the consequences if the producer fails to comply with the proposed notice provisions in section 10. If the insured fails to provide the required notice, the producer will receive the production guarantee as the production to count for the acreage for which such notice was required. This is consistent with the other provisions in section 11(c) where it is difficult or impossible to accurately determine the production to count. FCIC is also proposing to remove paragraph (d) because it is no longer necessary due to the new provisions proposed in section 10(c) that specify if an insured intends to harvest the crop in a manner other than as it was reported, the producer must notify the insurance provider so that appraisals can be made on the basis for which the crop is insured. FCIC is also proposing to revise the provisions in redesignated section 11(e)(2) to refer generically to the end of the insurance period instead of September 30 as a result of the revised end of insurance period dates in section 7(b); and

(k) Section 12—Remove the reference to limited level of coverage since it is no longer applicable.

9. Basis for Specific Changes to the Malting Barley Crop Insurance Provisions

The proposed changes are as follows:

(a) Preamble—FCIC proposes to rename the endorsement as the ''Small Grains Crop Insurance Malting Barley Price and Quality Endorsement'';

(b) Section 1—FCIC proposes to move to section 1 the definitions previously contained in section 10. FCIC also proposes to delete the definition of ''APH'' because it is duplicative with the definition in the Common Crop Insurance Policy Basic Provisions. FCIC also proposes to delete the definition of ''unit'' because provisions regarding unit division are contained in section 6. FCIC proposes to revise the definition of ''approved malting variety'' to improve clarity. FCIC proposes to revise the definition of ''malting barley contract'' to separate the different requirements, improve clarity, and to change the term ''processed mash'' to ''malt extracts'' because the term ''malt extracts'' is more commonly used in the malting barley industry.

FCIC is also proposing to revise the definition of ''objective test'' so protein content will be determined by procedures approved by the Federal Grain Inspection Service because the Federal Grain Inspection Service has developed testing standards for determining protein and since USDA standards are used for other quality determinations, it is appropriate to use USDA test standards for protein. The definition is also restructured to improve clarity. FCIC is also proposing to revise the definition of ''subjective test'' to restructure the definition to improve clarity.

FCIC is also proposing to add a definition of ''additional value price'' because the term is used throughout the endorsement. FCIC is also proposing to add a definition of ''crop year'' to specify for APH purposes the term does not include any year when the crop was not planted or when the crop was prevented from being planted by an insurable cause. FCIC proposes to add a definition of ''malt extracts'' because the term is used in the definition of ''malting barley contract.'' FCIC is proposing to add a definition of ''malting barley price agreement'' to describe a production contract between a producer and a buyer other than a brewery or malster. The definitions of ''brewery,'' ''contracted production,'' and ''licensed grain grader'' are the same as in the previous endorsement;

(c) Section 2—FCIC is proposing to move to section 2 those provisions previously contained in the preamble in Options A and B;

(d) Section 3—FCIC is proposing to move to section 3 those provisions regarding policies that must be in place before electing the endorsement previously contained in section 1;

(e) Section 4—FCIC is proposing to move to section 4 those provisions regarding the selection of option A or B that were previously contained in section 2;

(f) Section 5—FCIC is proposing to move to section 5 those provisions regarding insurable acreage that were previously contained in section 6. Also, FCIC proposes to clarify that acreage grown for seed production is not insurable under the endorsement;

(g) Section 6—FCIC is proposing to revise section 6 to clarify how the acreage with different shares is to be reported on the acreage report and to provide an example because it was unclear how acreage with different shares was supposed to be reported;

(h) Section 7—FCIC is proposing to move to section 7 those provisions regarding the selection of the additional value price that were previously contained in section 3;

(i) Section 8—FCIC proposes to move to section 8 those provisions regarding premium computations that were previously contained in section 4. Also, FCIC is proposing to add provisions that require adjustment of premium rates based on production history. This is similar to other insured crops where the premium rate increases as the yield decreases and vice versa. This is because as the yield decreases, the risk of loss is greater, requiring higher premiums to cover such losses;

(j) Section 9—FCIC proposes to move to section 9 those provisions regarding reporting requirements under the endorsement that were previously contained in section 5;

(k) Section 10—FCIC proposes to move to section 10 those provisions regarding the ability to complete a claim before insured production is sold that were previously in section 7. FCIC also proposes to restructure provisions for clarity and readability. FCIC also proposes to revise the provisions to allow reopening of the claim when production is sold after May 31 of the year following harvest. Currently May 31 is the earliest date losses may be paid for unsold production that fails the

quality standards. However, FCIC has discovered that disposition of the crop may not be known before May 31. Therefore, the policy must contain provisions that allow for an adjustment based on a certification that the production will not be sold and if no certification is provided, no quality adjustment will be allowed. These provisions are similar to section 15 of the Common Crop Insurance Policy Basic Provisions, which allows an indemnity to be paid based on a certification that the crop will not be harvested and contains the consequences when it is;

(l) Section 11—FCIC proposes to move to section 11 those provisions indicating that prevented planting coverage is not provided under the endorsement that were previously contained in section 8;

(m) Section 12—FCIC proposes to move to section 12 those provisions regarding the commingling of production that were previously contained in section 9. FCIC has also revised the provision to make it clearer that if the production of malting barley and feed barley are commingled, the claim will be denied. This is because it would be difficult to impossible to separate the production once it has been commingled. If the production cannot be separated, there is no way to determine if the production to count were accurate;

(n) Section 13—FCIC proposes to move to section 13 those provisions indicating how claims will be settled that were previously contained in section 5 of Options A and B. FCIC determined that there was no need for duplicate provisions. FCIC also proposes to revise the provisions to address situations in which more than one additional value price is applicable. There may be circumstances where the malting barley is covered by more than one malting barley contract or malting barley price agreement. Therefore, the endorsement needs to contain provisions regarding how claims will be determined if there are more than one additional value price;

(o) Section 14—FCIC is proposing to move to section 14 those provisions regarding production to be counted when there is a claim that were previously contained in section 4 of Options A and B. FCIC determined that there was no need for duplicate provisions. In the new section 14(a)(1) (previously section 4(a)(1) of Options A and B), FCIC also proposes to clarify that production to be counted includes potential production on acreage that is put to another use. This production was previously omitted from the endorsement but since it is included when calculating production to count under the Small Grains Crop Provisions, it should be included as production to count in this endorsement. In section 14(a)(2)(i) (previously section 4(a)(2)(i) of Options A and B), FCIC is also proposing to revise the provisions to specify that the parts per million standards will be those set in the malting barley contract or malting barley price agreement, not those set by the Food and Drug Administration because the price the producer receives is paid based on the standards in such contracts or agreements. In section 14(a)(2)(ii) (previously section 4(a)(2)(ii) of Options A and B), FCIC also proposes to revise quality adjustment provisions to list sprout injury as a quality standard rather than sprout damage. New testing standards have been developed by USDA to determine sprout injury and most malting barley buyers now use sprout injury levels to determine whether grain can be accepted for malting purposes. FCIC also proposes to change the quality standard for protein for two-row malting barley from 14.0 percent to 13.5 percent to better reflect protein levels required by most buyers of two-row malting barley. In section 14(a)(3) (previously section 4(a)(3) of Options A and B), FCIC is also proposing to revise the provisions so that damaged production sold for any use at a price greater than the projected price will be production to count. This is to ensure that producers are not receiving indemnities when they have received the full value for the malting barley. Previous provisions did not consider production sold for seed or other higher value uses as production to count. In section 14(b) (previously section 4(b) of Options A and B), FCIC is proposing to clarify how production to count will be determined when production is damaged and the additional value price is greater than the price received, to remove references to price elections because revenue protection is available for barley and to add examples. FCIC is also proposing to move to section 14(b)(2) those provisions regarding reconditioning previously contained in sections 4(c) of Options A and B and to allow the cost of reconditioning to be considered when adjusting the production to count because it failed the quality standards. Previously such production was considered separately but this added an unnecessary complication and burden on the approved insurance providers. FCIC is also proposing to move to sections 14(c) and (d) those provisions regarding when production to count will not be adjusted and the need for objective tests that were previously contained in sections 14(e) and (f) of Options A and B. These provisions have also been restructured for readability;

(p) Section 1 (Option A)—FCIC proposes in section 1 to update the years used in the example that indicates what production records must be provided. FCIC has also restructured the provisions for readability. FCIC also proposes to add a new section 1(b) that specifies that the producer must provide a copy of a malting barley contract or price agreement by the acreage reporting date, if such document is to be used to determine the additional value price election. Option (B)–FCIC proposes to add provisions in section 1(a) that require the applicant/insured to provide records of sales of malting barley and copies of malting barley contracts for at least the previous 4 years in the database. These records will be used to determine past success rates of malting barley production. These records will also be used to determine if a producer is eligible for coverage under Option B and to determine the premium producers must pay. If the producer had malting barley contracts in the four required years but does not provide them or the sales records, the producer will not be eligible for Option B. Further, the success rate will be used to determine a factor that will be applied to the premium;

(q) Section 2 (Option A)—FCIC proposes in section 2 to clarify the manner in which the production guarantee per acre will be determined to clarify the manner in which the malting barley history will be determined. The provisions are also restructured for readability;

(r) Section 3 (Options A and B)—FCIC proposes in section 3 to revise the provisions regarding the determination of the additional value price to include exactly how the amount will be determined when the producer elects a variable premium price option under a malting barley contract. Previously, section 3 simply contained the maximum additional value price but failed to state how it was to be determined. Option A—FCIC proposes to add provisions to allow the additional value price to be determined based on a contract price contained in a malting barley contract or price agreement. Also, FCIC proposes to add a provision indicating the additional value price election cannot exceed $1.25 per bushel because this amount is reflective of the maximum additional price received and there is a need to limit liability. Option B—FCIC proposes to change the maximum additional

value price election from $2.00 per bushel to $1.25 per bushel to be consistent with the current Income Protection Malting Barley Endorsement. Further, it was determined that $2.00 did not accurately reflect the added value; and

(s) Section 4 (Options A and B)—FCIC proposes to move to section 4 those provisions regarding the loss example that were previously contained in section 6 of Options A and B, to restructure the provisions for clarity, and to update the example to reflect other changes made to the endorsement.

10. Basis for Specific Changes to the Rice Crop Insurance Provisions

The proposed changes are as follows:

(a) Section 3—FCIC is proposing to add a new section 3(a) to specify that the producer must elect to insure rice with either revenue protection or yield protection by the sales closing date. Rice was previously insured under APH, CRC, and RA. In redesignated section 3(b), FCIC is proposing to correct all price references to use projected price and harvest price. This is necessary because rice has revenue protection available so it will no longer use price elections. If the producer elects yield protection, the price used to determine both the value of the production guarantee and the value of the production to count for indemnity purposes will be the projected price. If the producer elects revenue protection, the higher of the projected price or the harvest price is used to calculate the revenue production guarantee, unless the harvest price exclusion option is selected, and the harvest price is used to value the production to count.

FCIC is also proposing to add a new section 3(b)(1) to specify the producer must select the same percentage for both the projected price and the harvest price. FCIC also proposes to add a new section 3(b)(2) to specify the projected price and harvest price for each type must have the same percentage relationship to the maximum projected price and harvest price. These changes are consistent with other Crop Provisions that require the same percentage apply to the prices so that producers cannot adversely select the high price percentage for the projected price to maximize the guarantee and select a lower percentage for the harvest price to manufacture a loss, etc.;

(b) Sections 4, 5, 7 and 8-FCIC is proposing to revise the format of sections 4, 5, 7 and 8 to be consistent with other similar Crop Provisions. This will make the provisions easier to read;

(c) Section 6—FCIC is proposing to revise the format in section 6 to be consistent with other similar Crop Provisions. FCIC is also proposing to add a provision that states that the premium rate may be provided by written agreement. Previously the premium rate could only be provided by the actuarial documents. Other similar Crop Provisions allow a premium rate to be provided by written agreement and there is no reason rice should not be treated the same;

(d) Section 9—FCIC is proposing to revise section 9 to be consistent with the format of other similar Crop Provisions. Also, FCIC is proposing to add a new section 9(a)(9) that specifies that a decline in the harvest price below the projected price is an insured cause of loss to allow coverage for revenue protection;

(e) Section 10—FCIC is proposing to revise section 10 to be consistent with the format of other similar Crop Provisions. FCIC is also proposing to revise section 10(a) to make inapplicable the provisions in section 13 of the Common Crop Insurance Policy Basic Provisions that limit the amount of a replant payment to the producer's actual cost. FCIC has reviewed the costs associated with replanting rice and determined that only in rare instances were the actual costs less than the amount determined in accordance with section 13 of the Common Crop Insurance Policy Basic provisions. This meant there was a large administrative burden associated with obtaining receipts from the producer to prove costs with little effect on payment amounts. FCIC is currently in the process of contracting a replant study. Based on the results of the study, FCIC will propose to remove the limit of the producer's actual cost of replanting for other crops if the study shows the actual cost of replanting is rarely less than the maximum payment amount allowed by the Crop Provisions;

(f) Section 11—FCIC proposes to revise section 11 to be consistent with the format of other similar Crop Provisions. FCIC is also proposing to revise section 11 to remove those provisions regarding representative samples that are now incorporated into section 14 of the Common Crop Insurance Policy Basic Provisions;

(g) Section 12—FCIC is proposing to revise section 12(a) to clarify that the required records of production to qualify for unit division must be acceptable to the approved insurance provider. This makes the provision consistent with section 12(a)(1), which refers to the consequences if acceptable records of production are not provided. Acceptable records are required because they must be of a type that would permit the approved insurance provider to independently verify the information. If the information cannot be verified, approved insurance providers have no way of knowing whether the production reported is accurate. FCIC is also proposing to revise section 12(b) regarding the method used to compute a claim to provide separate calculations for claims that are based on yield protection from those that are based on revenue protection and adding an example. This change is necessary because yield protection only measures the change in the production and values the production guarantee and production to count at the same projected price. However, revenue protection measures both the change in production and the change in price and different prices may be used to determine value of the guarantee (*i.e.* higher of the projected or harvest price) and the production to count (*i.e.* the harvest price); and

(h) Section 13—FCIC is proposing to remove the reference to limited level of coverage since it is no longer applicable.

11. Basis for Specific Changes to the Canola and Rapeseed Crop Insurance Provisions

The proposed changes are as follows:

(a) Section 3—FCIC is proposing to add a new section 3(a) to specify that the producer must elect to insure canola and rapeseed with either revenue protection or yield protection by the sales closing date. Canola and rapeseed are currently insured under APH and RA. However, rapeseed prices no longer have a consistent correlation to canola prices that are established on a Commodity Exchange. Since canola and rapeseed are covered under the same policy, FCIC proposes to allow rapeseed to be covered under revenue protection even though it is not traded on any Commodity Exchange. To accomplish this, the projected price for rapeseed will be established by FCIC in accordance with the Commodity Exchange Price Provisions and the harvest price will be set equal to the projected price. With both canola and rapeseed insured under revenue protection, the producer may qualify for a whole-farm unit. However, rapeseed will not have the benefit of coverage against a change in the price.

In redesignated section 3(b), FCIC is also proposing to correct all price references to use projected price and harvest price. This is necessary because both canola and rapeseed have revenue protection available so they will no longer use price elections. If the producer elects yield protection, the price used to determine both the value

of the production guarantee and the value of the production to count for indemnity purposes will be the projected price. If the producer elects revenue protection, the higher of the projected price or the harvest price is used to calculate the revenue production guarantee, unless the harvest price exclusion option is selected, and the harvest price is used to value the production to count.

FCIC proposes to add a new section 3(b)(1) to specify the producer must select the same percentage for both the projected price and the harvest price. Also, FCIC proposes to add a new section 3(b)(2) to specify the projected price and harvest price for each type must have the same percentage relationship to the maximum projected price and harvest price. In some counties canola and rapeseed are treated as types and some counties may only insure canola or rapeseed. These changes are consistent with other Crop Provisions that require the same percentage apply to the prices so that producers cannot adversely select the high price percentage for the projected price to maximize the guarantee and select a lower percentage for the harvest price to manufacture a loss, etc.;

(b) Section 6—FCIC is proposing to revise section 6 to restructure the formatting for readability. FCIC is also proposing to add a new subsection (b) to specify if the Special Provisions designate both fall and spring final planting dates, any fall canola or fall rapeseed that is damaged before the spring final planting date, to the extent that producers in the area would normally not further care for the crop, must be replanted to a fall type of the insured crop unless the approved insurance provider agrees that replanting is not practical. If it is not practical to replant to the fall type of canola or rapeseed but is practical to replant to a spring type, the producer must replant to a spring type to keep insurance based on the fall type in force. Any fall canola or fall rapeseed acreage that is replanted to a spring type of the same crop when it was practical to replant the fall type will be insured as the spring type and the production guarantee, premium, projected price, and harvest price applicable to the spring type will be used. These provisions are added because fall canola and rapeseed are being planted and insured in more counties and states and could potentially be insured in additional counties and states in the future;

(c) Section 9—FCIC is proposing to revise section 9 to be consistent with the format of other similar Crop Provisions. In section 9(h), FCIC is also proposing to clarify that failure of the irrigation water supply that occurs during the insurance period is a covered cause of loss if such failure is due to a cause of loss specified in the Crop Provisions. Also, FCIC is proposing to add a new section 9(i) that specifies that a decline in the harvest price below the projected price is an insured cause of loss to allow coverage for revenue protection;

(d) Section 10—FCIC is proposing to revise section 10 to be consistent with the format of other similar Crop Provisions. FCIC is also proposing to revise section 10(a)(1) to make inapplicable the provisions in section 13 of the Common Crop Insurance Policy Basic Provisions that limit of the amount of a replant payment to the producer's actual cost. FCIC has reviewed the costs associated with replanting canola and rapeseed and determined that only in rare instances were the actual costs less than the amount determined in accordance with section 13 of the Common Crop Insurance Policy Basic Provisions. This meant there was a large administrative burden associated with obtaining receipts from the producer to prove costs with little effect on payment amounts. FCIC is currently in the process of contracting a replant study. Based on the results of the study, FCIC will propose to remove the limit of the producer's actual cost of replanting for other crops if the study shows the actual cost of replanting is rarely less than the maximum payment amount allowed by the Crop Provisions.

FCIC also proposes to revise section 10(a) to allow a replanting payment when the amount of seed used is less than the amount normally used for initial seeding. The seeding rate of the replanted crop must be at a rate sufficient to achieve a total (undamaged and new seeding) plant population that will produce at least the yield used to determine the producer's production guarantee. Allowing this payment under such circumstances will provide a greater incentive to improve poor crop stands, thereby improving production levels and reducing claims. FCIC also proposes to add a new section 10(d) to specify that replanting payments will be calculated using the projected price and production guarantee for the crop type that is replanted and insured. There have been instances where producers have replanted a different insured crop type that has different yields and prices than the type originally planted. This could result in the crop being over-insured or under-insured if the production guarantee and prices were based on the crop type originally planted. Instead, FCIC has proposed to add provisions to ensure that the production guarantee and replanting payment are based on the yield and prices for the type that is replanted. A revised acreage report will be required to reflect the replanted type, as applicable;

(e) Section 11—FCIC is proposing to revise section 11 to be consistent with the format of other similar Crop Provisions. FCIC is also proposing to revise section 11 to remove those provisions regarding representative samples that are now incorporated into section 14 of the Common Crop Insurance Policy Basic Provisions;

(f) Section 12—FCIC is proposing to revise section 12(a) to clarify that the required records of production to qualify for unit division must be acceptable to the approved insurance provider. This makes the provision consistent with section 12(a)(1), which refers to the consequences if acceptable records of production are not provided. Acceptable records are required because they must be of a type that would permit the approved insurance provider to independently verify the information. If the information cannot be verified, approved insurance providers have no way of knowing whether the production reported is accurate. FCIC is also proposing to revise section 12(b) regarding the method used to compute a claim to provide separate calculations for claims that are based on yield protection from those that are based on revenue protection. Also, FCIC proposes to add a new example, remove the previous example, and remove the provisions stating how a claim will be computed if the quality adjustment factors are not in the Special Provisions. The quality adjustment factors are currently in the Special Provisions for all counties where canola and rapeseed are insured; and

(g) Section 14—Remove the reference to limited level of coverage since it is no longer applicable.

List of Subjects in 7 CFR Part 457

Crop insurance, 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 effective for the 2009 and succeeding crop years to read 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. Amend § 457.8 as follows:

A. Throughout § 457.8, where they appear, remove the words ''whole farm'' and add the phrase ''whole-farm'' in its place, and remove the acronym ''C.F.R.'' and add ''CFR'' in its place;

B. Amend § 457.8 to add new paragraphs (c) through (f), immediately before the Common Crop Insurance Policy, to read as follows:

§ 457.8 The application and policy.

* * * * *

(c) If the producer had a Crop Revenue Coverage, Revenue Assurance, Income Protection, or Indexed Income Protection crop insurance policy in effect for the 2008 crop year and has not canceled such coverage in accordance with such policy, except for sunflowers, revenue protection will continue in effect under the Common Crop Insurance Policy Basic Provisions and no new application is required.

(1) If the producer had revenue coverage under Crop Revenue Coverage, Income Protection, or Indexed Income Protection plans of insurance for the 2008 crop year, the producer will have revenue protection under the Common Crop Insurance Policy Basic Provisions in effect for the 2009 crop year at the same coverage level, and percentage of price, and applicable options and endorsements.

(2) If the producer had revenue coverage under the Revenue Assurance plan of insurance for the 2008 crop year and:

(i) The producer had the fall harvest price option, for the 2009 crop year the producer will have revenue protection, under the Common Crop Insurance Policy Basic Provisions, based on the greater of the projected price or the harvest price, the same coverage level, percentage of price, and other applicable options or endorsements;

(ii) The producer did not have the fall harvest price option, for the 2009 crop year the producer will have revenue protection, under the Common Crop Insurance Policy Basic Provisions, the harvest price exclusion option, the same coverage level, percentage of price, and other applicable options or endorsements; or

(iii) If the producer had revenue coverage for sunflowers for the 2008 crop year, the producer will have APH coverage for the 2009 crop year, unless the policy is canceled by the cancellation date.

(3) If the producer has revenue protection under paragraphs (c)(1) or (2) of this section, the producer will be eligible for the hail and fire exclusion option if the requirements are met.

(d) If the producer had APH coverage for a crop under the Common Crop Insurance Policy Basic Provisions for the 2008 crop year and that crop now has revenue protection available, the producer will have yield protection for the crop under the Common Crop Insurance Policy Basic Provisions in effect for the 2009 crop year at the same coverage level, and percentage of price, and applicable options or endorsements.

(e) If the producer had coverage for a crop under the Common Crop Insurance Policy Basic Provisions for the 2008 crop year and that crop does not have revenue protection available for the 2009 crop year, the producer will continue with the same coverage (for example, APH or amount of insurance) until cancelled or terminated.

(f) For any producer specified in paragraph (c) or (d) of this section:

(1) Any coverage provided under paragraphs (c) through (e) of this section, may be changed by the producer in accordance with section 3 of the Common Crop Insurance Policy Basic Provisions or the producer may cancel such coverage in accordance with section 2 of the Common Crop Insurance Policy Basic Provisions.

(2) If a producer has a properly executed Power of Attorney on file with the approved insurance provider, such Power of Attorney will remain in effect under the Common Crop Insurance Policy Basic Provisions until it is terminated.

(3) If the producer has a current written agreement in effect for the crop for multiple crop years, such written agreement will remain in effect if the terms of the written agreement are still applicable, the conditions under which the written agreement was provided have not changed, and the policy remains with the same insurance provider.

* * * * *

C. Amend the ''Agreement to Insure'' sections after the second paragraph of both the ''FCIC Policies'' and ''Reinsured Policies'' sections that precedes ''Terms and Conditions Basic Provisions'' of § 457.8 as follows:

FCIC Policies

* * * * *

AGREEMENT TO INSURE: In return for the payment of the premium, and subject to all of the provisions of this policy, we agree with you to provide the insurance as stated in this policy. If there is a conflict between the Act, the regulations published at 7 CFR chapter IV, and the procedures issued by us, the order of priority is as follows: (1) The Act; (2) the regulations; and (3) the procedures issued by us, with (1) controlling (2), etc. If there is a conflict between the policy provisions published at 7 CFR part 457 and the administrative regulations published at 7 CFR part 400, the policy provisions published at 7 CFR part 457 control. If a conflict exists among the policy provisions, the order of priority is: (1) The Catastrophic Risk Protection Endorsement, as applicable; (2) the Special Provisions; (3) the Commodity Exchange Price Provisions, as applicable; (4) the Crop Provisions; and (5) these Basic Provisions, with (1) controlling (2), etc.

Reinsured Policies

* * * * *

AGREEMENT TO INSURE: In return for the payment of the premium, and subject to all of the provisions of this policy, we agree with you to provide the insurance as stated in this policy. If there is a conflict between the Act, the regulations published at 7 CFR chapter IV, and the procedures as issued by FCIC, the order of priority is as follows: (1) The Act; (2) the regulations; and (3) the procedures as issued by FCIC, with (1) controlling (2), etc. If there is a conflict between the policy provisions published at 7 CFR part 457 and the administrative regulations published at 7 CFR part 400, the policy provisions published at 7 CFR part 457 control. If a conflict exists among the policy provisions, the order of priority is: (1) The Catastrophic Risk Protection Endorsement, as applicable; (2) the Special Provisions; (3) the Commodity Exchange Price Provisions, as applicable; (4) the Crop Provisions; and (5) these Basic Provisions, with (1) controlling (2), etc.

D. Amend section 1 of § 457.8 by adding definitions of ''Commodity Exchange Price Provisions (CEPP),'' ''common land unit,'' ''Cooperative Extension System,'' ''harvest price,'' ''harvest price exclusion option,'' ''insurable interest,'' ''projected price,'' ''revenue protection,'' ''revenue protection guarantee (per acre),'' ''RMA's Web site,'' ''yield protection,'' and ''yield protection guarantee (per acre),'' and revising the definitions of ''actuarial documents,'' ''agricultural experts,'' ''assignment of indemnity,'' ''average yield,'' ''catastrophic risk protection,'' ''claim for indemnity,'' ''delinquent debt,'' ''enterprise unit,'' ''liability,'' ''organic agricultural industry,'' ''policy,'' ''prevented planting,'' ''price election,'' ''production report,'' ''share,'' ''substantial beneficial interest,'' ''void,'' and ''whole-farm unit.'' Also, place the definitions of ''Code of Federal Regulations (CFR)'' and ''consent'' in alphabetical order.

The revised and added text reads as follows:

1. Definitions.

* * * * *

Actuarial documents. The material for the crop year which is available for public inspection in your agent's office and published on RMA's Web site and which shows available coverage levels, information needed to determine amounts of insurance,

prices, premium rates, premium adjustment percentages, practices, particular types or varieties of the insurable crop, insurable acreage, and other related information regarding crop insurance in the county.

* * * * *

Agricultural experts. Persons who are employed by the Cooperative Extension System or the agricultural departments of universities, or other persons approved by FCIC, whose research or occupation is related to the specific crop or practice for which such expertise is sought.

* * * * *

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

Average yield. The yield, calculated by totaling the yearly actual (including actual yields reduced in accordance with the policy), assigned, adjusted or unadjusted transitional yields and dividing the total by the number of yields contained in the database, prior to any yield adjustments.

* * * * *

Catastrophic risk protection. The minimum level of coverage offered by FCIC that is required before you may qualify for certain other USDA program benefits. Catastrophic risk protection is not available with revenue protection.

* * * * *

Claim for indemnity. A claim made on our form by you for damage or loss to an insured crop in accordance with section 14.

* * * * *

Commodity Exchange Price Provisions (CEPP). A part of the policy that is used for all crops for which revenue protection is available, regardless of whether the producer elects revenue protection or yield protection for such crops. This document will include the information necessary to derive the projected price and the harvest price for the insured crop, as applicable.

Common land unit. The smallest unit of land that has: a permanent, contiguous boundary; common land cover and land management; and common owner and common producer association.

* * * * *

Cooperative Extension System. A nationwide network consisting of a state office located at each state's land-grant university, and local or regional offices. These offices are staffed by one or more agronomic experts, who work in cooperation with the Cooperative State Research, Education and Extension Service, and who provide information to agricultural producers and others.

* * * * *

Delinquent debt. Has the same meaning as the term contained in 7 CFR part 400, subpart U.

* * * * *

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.

* * * * *

Harvest price. A price determined in accordance with the Commodity Exchange Price Provisions and used to value production to count for revenue protection.

Harvest price exclusion option. For revenue protection, an option that allows you to exclude the use of the harvest price in the determination of your revenue protection guarantee. This option is continuous unless canceled by the cancellation date.

* * * * *

Insurable interest. The value of your interest in the crop that is at risk from an insurable cause of loss during the insurance period. The maximum indemnity payable to you may not exceed the indemnity due on your insurable interest at the time of loss.

* * * * *

Liability. Your total amount of insurance, value of your production guarantee, or revenue protection guarantee for the unit determined in accordance with the claims provisions of the applicable Crop Provisions.

* * * * *

Organic agricultural industry. Persons who are employed by the following organizations: Appropriate Technology Transfer for Rural Areas, Sustainable Agriculture Research and Education or the Cooperative Extension System, the agricultural departments of universities, or other persons approved by FCIC, whose research or occupation is related to the specific organic crop or practice for which such expertise is sought.

* * * * *

Policy. The agreement between you and us to insure an agricultural commodity and consisting of the accepted application, these Basic Provisions, the Crop Provisions, the Special Provisions, the Commodity Exchange Price Provisions, if applicable, other applicable endorsements or options, the actuarial documents for the insured agricultural commodity, the Catastrophic Risk Protection Endorsement, if applicable, and the applicable regulations published in 7 CFR chapter IV. Insurance for each agricultural commodity in each county will constitute a separate policy.

* * * * *

Prevented planting. Failure to plant the insured crop by the final planting date designated in the Special Provisions for the insured crop in the county, due to an insured cause of loss that is general to the surrounding area and that prevents other producers from planting acreage with similar characteristics. The failure to plant the insured crop within the late planting period may also be considered prevented planting if due to an insured cause of loss. Failure to plant because of uninsured causes, such as lack of proper equipment or labor to plant acreage, is not considered prevented planting.

Price election. The amounts contained in the Special Provisions, or in an addendum thereto, that is the value per pound, bushel, ton, carton, or other applicable unit of measure for the purposes of determining premium and indemnity under the policy. A price election is not applicable for crops for which revenue protection is available.

* * * * *

Production report. A written record showing your annual production and used by us to determine your yield for insurance purposes in accordance with section 3. 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 in accordance with FCIC approved procedures.

* * * * *

Projected price. A price determined in accordance with the Commodity Exchange Price Provisions and used for all crops for which revenue protection is available, regardless of whether you elect to obtain revenue protection or yield protection for such crops.

* * * * *

Revenue protection. Insurance coverage that provides protection against production loss or price decline or increase or a combination of both. If the harvest price exclusion option is elected, the insurance coverage provides protection only against the production loss or price decline or a combination of both.

Revenue protection guarantee (per acre). For revenue protection only, the production guarantee (per acre), times the greater of the projected price or the harvest price. If the harvest price exclusion option is elected, the production guarantee (per acre) is only multiplied by your projected price.

RMA's Web site. A Web site hosted by RMA and located at *http://www.rma.usda.gov/* or a successor Web site.

* * * * *

Share. Your percentage of insurable 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.

* * * * *

Substantial beneficial interest. An interest held by any person of at least 10 percent in you. The spouse of any individual applicant or individual insured will be considered to have a substantial beneficial interest in the applicant or insured unless the spouses can prove they are legally separated or otherwise legally separate under the applicable state dissolution of marriage laws. Any child of an individual applicant or individual insured will not be considered to have a substantial beneficial interest in the applicant or insured unless the child has a separate legal interest in such person. For example, there are two partnerships that each have a 50 percent interest in you and each partnership is made up of two individuals, each with a 50 percent share in the partnership. In this case, each individual would be considered to have a 25 percent interest in you, and both the partnerships and the individuals would have a substantial beneficial interest in you (The spouses of the individuals would not be considered to have a substantial beneficial interest unless the spouse was one of the

individuals that made up the partnership). However, if each partnership is made up of six individuals with equal interests, then each would only have an 8.33 percent interest in you and although the partnership would still have a substantial beneficial interest in you, the individuals would not for the purposes of reporting in section 2.

* * * * *

Void. When the policy is considered not to have existed for a crop year.

Whole-farm unit. All insurable acreage of all the insured crops planted in the county in which you have a share on the date coverage begins for each crop for the crop year and for which the whole-farm unit structure is available.

* * * * *

Yield protection. Insurance coverage that only provides protection against a production loss for crops for which revenue protection is available but was not elected.

Yield protection guarantee (per acre). When yield protection is selected for a crop that has revenue protection available, the production guarantee times your projected price.

* * * * *

E. Amend section 2 of § 457.8 as follows:

a. Amend paragraph (a) by adding at the end of the paragraph the following sentence ''In accordance with section 4, FCIC may change the coverage provided from year to year.'';

b. Revise paragraph (b);

c. Amend paragraph (e)(2) by removing ''14(c)'' and adding ''14(e)'' in its place; and

d. Revise paragraph (g).

The revised text reads as follows:

2. Life of Policy, Cancellation, and Termination.

* * * * *

(b) Your application for insurance must contain your social security number (SSN) if you are an individual or employer identification number (EIN) if you are a person other than an individual, and all SSNs and EINs, as applicable, of all persons with a substantial beneficial interest in you; your election of revenue protection or yield protection, as applicable, coverage level, percentage of price election or percentage of projected price and harvest price, as applicable, crop, type, variety, or class, plan of insurance, and any other material information required on the application to insure the crop.

(1) Your application will not be acceptable and no insurance will be provided if:

(i) It does not contain your SSN, EIN or identification number;

(ii) It contains an incorrect SSN, EIN or identification number for you, and such number is not corrected before any indemnity, replanting or prevented planting payment is made:

(A) If the information is not corrected, you must repay any indemnity, prevented planting payment or replanting payment that may have been paid for any crop listed on the application;

(B) If previously paid, the balance of any premium and any administrative fees will be returned to you, less 20 percent of the premium that would otherwise be due from you for such crops; and

(C) If not previously paid, no premium or administrative fees will be due for such crops; or

(iii) Any other information required in section 2(b) is not provided, except, if you fail to report the SSNs, EINs or identification numbers of persons with a substantial beneficial interest in you, the provisions in section 2(b)(2) will apply.

(2) If the application does not contain the SSNs, EINs, or identification numbers of all persons with a substantial beneficial interest in you, you fail to revise your application in accordance with section 2(b)(4), or any reported SSNs, EINs or identification numbers of any persons with a substantial beneficial interest in you are incorrect and are not corrected before any indemnity, replanting or prevented planting payment is made, and:

(i) Such persons are eligible for insurance, the amount of coverage for all crops included on this application will be reduced proportionately by the percentage interest in you of such persons (presumed to be 50 percent for spouses of individuals), you must repay the amount of indemnity, prevented planting payment or replanting payment that is proportionate to the interest of the persons whose SSN, EIN, or identification number was unreported or incorrect for such crops, and your premium will be reduced commensurately; or

(ii) Such persons are not eligible for insurance, except as provided in section 2(b)(3), the policy is void and no indemnity, prevented planting payment or replanting payment will be owed for any crop included on this application, and you must repay any indemnity, prevented planting payment or replanting payment that may have been paid for such crops:

(A) If previously paid, the balance of any premium and any administrative fees will be returned to you, less 20 percent of the premium that would otherwise be due from you for such crops; or

(B) If not previously paid, no premium or administrative fees will be due for such crops.

(3) The consequences described in section 2(b)(2)(ii) will not apply if you have included an ineligible person's SSN, EIN, or identification number on your application and do not include the ineligible person's share on the acreage report.

(4) If any of the information regarding persons with a substantial beneficial interest changes during the crop year, you must revise your application by the next sales closing date applicable under your policy to reflect the correct information.

(5) If you are an individual and you, or a person with a substantial beneficial interest in you, is not eligible to obtain a SSN, or if you are a person other than an individual and a person with a substantial beneficial interest in you is not eligible to obtain a SSN, you must request an identification number for the purposes of this policy from us.

(i) An identification number will be provided only if you can demonstrate you or a person with a substantial beneficial interest in you is eligible to receive Federal benefits in accordance with the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

(ii) If an identification number cannot be provided for you in accordance with section 2(b)(5)(i), the policy will be void.

(iii) If an identification number cannot be provided for any person with a substantial beneficial interest in you, the amount of coverage for all crops on the application will be reduced proportionately by the percentage interest of such person in you.

* * * * *

(g) In cases where there has been a death, disappearance, judicially declared incompetence, or dissolution:

(1) If any married insured individual dies, disappears, or is judicially declared incompetent, the named insured on the policy will automatically convert to the name of the spouse if:

(i) The spouse was included on the policy as having a substantial beneficial interest in the named insured; and

(ii) The spouse continues to have a share of the crop;

(2) If any partner, member, shareholder, etc., of an insured entity dies, disappears, or is judicially declared incompetent and it automatically dissolves the entity and the death, disappearance or declaration occurs:

(i) More than 30 days before the sales closing date, the policy is automatically canceled as of the cancellation date and a new application must be submitted; or

(ii) Less than 30 days before the sales closing date, or after the sales closing date, the policy will continue in effect through the crop year and be automatically canceled as of the cancellation date immediately following the end of the insurance period for the crop year, unless canceled by the cancellation date prior to the start of the insurance period:

(A) A new application for insurance must be submitted prior to the sales closing date for coverage for the subsequent crop year; and

(B) Any indemnity will be paid to the person or persons determined to be beneficially entitled to the indemnity and such person or persons must comply with all policy provisions and pay the premium.

(3) If any insured entity is dissolved for reasons other than those specified in section 2(g)(2):

(i) Before the sales closing date, the policy is automatically canceled by the cancellation date prior to the start of the insurance period; or

(ii) On or after the sales closing date, the policy will continue in effect through the crop year and be automatically canceled as of the cancellation date immediately following the end of the insurance period for the crop year, unless canceled by the cancellation date prior to the start of the insurance period.

(A) A new application for insurance must be submitted prior to the sales closing date for the coverage for the subsequent crop year; and

(B) Any indemnity will be paid in accordance with the terms of the policy and

the persons associated with the dissolved entity must comply with all policy provisions and pay the premium.

* * * * *

F. Amend section 3 of § 457.8 as follows:

a. Revise paragraphs (b), (c), and (d);

b. Amend the introductory text of paragraph (e) by adding the phrase ‘‘, except as specified in section 18(f)(2)(i) to apply for a written agreement to establish insurability’’ after the phrase ‘‘in the Special Provisions’’;

c. Revise paragraph (f);

d. Amend paragraph (g)(1) by removing the phrase ‘‘, and you may be subject to provisions of section 27’’;

e. Amend paragraph (g)(2)(i) by removing the word ‘‘and’’ after the semicolon at the end;

f. Amend paragraph (g)(2)(ii) by removing the word ‘‘insured’’ and adding the word ‘‘insurable’’ in its place and removing the word ‘‘or’’ at the end and adding the word ‘‘and’’ in its place;

g. Add a new paragraph (g)(2)(iii); and

h. Add a new paragraph (k).

The revised and added text reads as follows:

3. Insurance Guarantees, Coverage Levels, and Prices.

* * * * *

(b) For all acreage of the insured crop in the county, you must select the same coverage, catastrophic risk protection or additional coverage (revenue protection is not available if you select catastrophic risk protection coverage), the same protection (amount of insurance, yield coverage for those crops for which revenue protection is not available, or yield protection or revenue protection, if available), and the same level of additional coverage unless one of the following applies:

(1) The applicable Crop Provisions allow you the option to separately insure individual crop types or varieties. In this case, each individual type or variety insured by you will be subject to separate administrative fees. For example, if two grape varieties in California are insured under the Catastrophic Risk Protection Endorsement and two varieties are insured under an additional coverage policy, a separate administrative fee will be charged for each of the four varieties.

(2) If you have additional coverage for the crop in the county and the acreage has been designated as ‘‘high-risk’’ by FCIC, you will be able to obtain a High-Risk Land Exclusion Option for the high-risk land under the additional coverage policy and insure the high-risk acreage under a separate Catastrophic Risk Protection Endorsement, provided that the Catastrophic Risk Protection Endorsement is obtained from the same insurance provider from which the additional coverage was obtained. If you have revenue protection and exclude high-risk land, the catastrophic risk protection coverage will be yield protection only for the excluded high-risk land.

(c) For a crop for which revenue protection is not available:

(1) In addition to the price election or amount of insurance available on the contract change date, we may provide an additional price election or amount of insurance no later than 15 days prior to the sales closing date.

(i) You must select the additional price election or amount of insurance on or before the sales closing date for the insured crop.

(ii) These additional price elections or amounts of insurance will not be less than those available on the contract change date.

(iii) If you elect the additional price election or amount of insurance, any claim settlement and amount of premium will be based on your additional price election or amount of insurance.

(2) You may change the coverage level or percentage of the price election or amount of insurance for the following crop year by giving written notice to us not later than the sales closing date for the insured crop.

(i) The percentage of price election or amount of insurance selected by you times the price election or amount of insurance issued by FCIC is your price election or amount of insurance.

(ii) Since the price election or amount of insurance may change each year, if you do not select a new percentage of the price election or amount of insurance on or before the sales closing date, we will assign a percentage of the price election or amount of insurance which bears the same relationship to the percentage of the price election or amount of insurance that was in effect for the preceding year (For example: If you selected 100 percent of the price election for the previous crop year and you do not select a new percentage of the price election for the current crop year, we will assign 100 percent of the price election for the current crop year).

(d) For a crop for which revenue protection is available:

(1) You may change your selection of revenue protection or yield protection and your coverage level or elect the harvest price exclusion option, if applicable, by giving written notice to us not later than the sales closing date for the insured crop;

(2) The percentage of projected price and harvest price selected by you times the projected price and harvest price issued by FCIC is your projected price and your harvest price;

(3) Since the projected price and harvest price may change each year, if you do not select a new percentage of those prices on or before the sales closing date, we will assign a percentage of those prices which bears the same relationship to the percentage of those prices that were in effect for the preceding year (For example: If you selected 100 percent of the projected price and harvest price for the previous crop year and you do not select a new percentage of those prices for the current crop year, we will assign 100 percent of those prices for the current crop year);

(4) If revenue protection is not elected by you for a crop for which it is available, your projected price is used to compute the value of your production guarantee (per acre) and the value of the production to count; or

(5) If revenue protection is elected for a crop for which it is available and the harvest price exclusion option is:

(i) Not elected, your projected price is used to initially determine the revenue protection guarantee (per acre), and if the harvest price is greater than the projected price, the revenue protection guarantee (per acre) will be recomputed using your harvest price; or

(ii) Elected, your projected price is used to compute your revenue protection guarantee (per acre); and

(6) Your projected price is used to calculate your premium, any replanting payment, and any prevented planting payment.

* * * * *

(f) It is your responsibility to accurately report all information that is used to determine your approved yield.

(1) You must certify to the accuracy of this information on your production report.

(2) If you fail to accurately report any information or if you do not provide any required records, you will be subject to the provisions regarding misreporting contained in section 6(g). However, the provisions contained in section 6(g) will not apply if the information is corrected on or before the production reporting date or we correct the information because the incorrect information was the result of our error or the error of someone from USDA.

(3) If you do not have written verifiable records to support the information on your production report, you will receive an assigned yield in accordance with section 3(e)(1) and 7 CFR part 400, subpart G for those crop years for which you do not have such records.

(4) At any time we discover you have misreported any material information used to determine your approved yield or your approved yield is not correct, the following actions may be taken:

(i) We will correct your approved yield for the crop year such information is not correct and all subsequent crop years, as applicable;

(ii) We will correct the unit structure, if necessary; and

(iii) You will be subject to the provisions regarding misreporting contained in section 6(g)(1).

(g) * * *

(2) * * *

(iii) We determine there is no valid basis to support the approved APH yield; or

* * * * *

(k) For crops for which revenue protection is available:

(1) If there has been a news report, announcement, or other event that occurs during or after trading hours that is believed by the Secretary of Agriculture, Administrator of the Risk Management Agency, or other designated staff of the Risk Management Agency that results in market conditions significantly different than those used to rate or price revenue protection:

(i) If the announcement occurs before the projected price has been announced, but before the sales closing date, even if revenue protection was purchased prior to the announcement, you will receive the projected price established by FCIC, only yield protection will be available, and the premium will be for yield protection;

(ii) If the announcement occurs after the projected price is released and before the sales closing date, sales for revenue protection will automatically cease as of the date of the announcement and only yield protection will be available subsequent to the announcement:

(A) If you purchased revenue protection prior to the announcement, you will receive revenue protection and a harvest price will be calculated in accordance with the terms of the Commodity Exchange Price Provisions; or

(B) If you purchased insurance coverage after the announcement, you will receive yield protection only and your projected price will be used to determine any guarantee and indemnity.

(2) If the required data for establishing prices cannot be calculated in accordance with section 3 of the Commodity Exchange Price Provisions:

(i) For the projected price, no revenue protection will be available.

(A) If revenue protection is not available, notice will be provided on RMA's Web site by the date specified in the applicable projected price definition.

(B) In such instances, the projected price will be established by RMA in accordance with section 2 of the Commodity Exchange Price Provisions and released by the date specified in the applicable projected price definition.

(ii) For the harvest price, the harvest price will be set equal to the projected price. The premium amount will not be reduced if the required data for establishing the harvest price is not available.

(3) If you have revenue protection in effect, and only yield protection is available for any year, you will automatically receive yield protection for that year unless you cancel your coverage by the cancellation date. Your coverage will automatically revert to revenue protection for the next year that revenue protection is available unless you cancel your coverage by the cancellation date.

* * * * *

G. Amend section 4(b) of § 457.8 by adding the phrase ''or the Commodity Exchange Price Provisions, if applicable'' after the phrase ''price elections'' and removing the phrase ''the RMA Web site at *http://www.rma.usda.gov/* or a successor Web site'' and adding the phrase ''RMA's Web site'' in its place;

H. Amend section 6 of § 457.8 as follows:

a. Revise paragraph (c)(5);

b. Revise paragraph (d)(2);

c. Remove paragraph (d)(3) and redesignate paragraphs (d)(4), (5) and (6) as paragraphs (d)(3), (4) and (5), respectively;

d. Revise redesignated paragraph (d)(3);

e. Amend redesignated paragraph (d)(5) by removing the phrase ''section 6(d)(1), (2), (4), or (5)'' and adding the phrase ''section 6(d)(1), (2), or (3)'' in its place;

f. Amend paragraph (g)(1) by removing the word ''If'' and adding the phrase ''Except as provided in section 6(g)(2), if'' in its place; and

g. Revise paragraph (g)(2).

The revised text reads as follows:

6. Report of Acreage.

* * * * *

(c) * * *

(5) The date the insured crop was planted on the unit, which must include:

(i) The last date the crop was planted for all acreage in the unit planted by the final planting date; and

(ii) The date of planting and the amount of acreage planted per day for acreage planted during the late planting period.

(d) * * *

(2) For prevented planting acreage:

(i) On or before the acreage reporting date, except as provided in section 6(d)(2)(iii), you can change any information on any initially submitted acreage report (For example, you can correct the reported share, add acreage of the insured crop that was prevented from being planted, etc.);

(ii) After the acreage reporting date, you cannot revise any information on the acreage report (For example, if you have failed to report prevented planting acreage on or before the acreage reporting date, you cannot revise it after the acreage reporting date to include prevented planting acreage) but we will revise information that is clearly transposed or if you provide adequate evidence that we or someone from USDA have committed an error regarding the information on your acreage report; and

(iii) You cannot revise your initially submitted acreage report at any time to change the insured crop, or type, that was reported as prevented from being planted;

(3) You may request an acreage measurement prior to the acreage reporting date, and submit documentation of such request and an acreage report with estimated acreage by the acreage reporting date.

(i) If an acreage measurement is only requested for a portion of the acreage within a unit, you must separately designate the acreage for which an acreage measurement has been requested;

(ii) If an acreage measurement is not received by the time we receive a notice of loss, we will:

(A) Measure the acreage and pay the claim based on our measurement; or

(B) Charge premium and pay the claim based on the reported acreage and, once the acreage measurement is received, make any necessary adjustments to the premium, and any claim, based on the measurement (You may be required to pay additional premium or repay an overpaid indemnity); and

(iii) If we charge premium and pay the claim in accordance with section 6(d)(3)(ii)(B) and you fail to provide the measurement to us by the termination date:

(A) You will be required to repay any prevented planting payment, replant payment, or indemnity paid for the unit and premium will still be owed; and

(B) We will no longer accept estimated acreage from you for any subsequent acreage report;

* * * * *

(g) * * *

(2) If your share is misreported and the share is:

(i) Under-reported, any claim will be determined using the share you reported; or

(ii) Over-reported, any claim will be determined using the share we determine to be correct.

* * * * *

I. Amend section 7(c)(1) of § 457.8 by adding the phrase ''or the projected price, as applicable,'' after the phrase ''price election,'';

J. Amend section 7(d) of § 457.8 by removing the first sentence;

K. Revise section 8(b)(2) of § 457.8 to read as follows:

8. Insured Crop.

* * * * *

(b) * * *

* * * * *

(2) For which the information necessary for insurance (price election, if applicable, premium rate, etc.) is not included on the actuarial documents:

(i) For crops for which revenue protection is not available, the necessary information may be provided by written agreement in accordance with section 18;

(ii) For crops for which revenue protection is available in the state:

(A) Revenue protection may be provided by written agreement if the Commodity Exchange Price Provisions provide for a projected price and harvest price for the state in which the written agreement will be applicable; or

(B) Only yield protection will be provided by written agreement if the Commodity Exchange Price Provisions do not provide for a projected price and harvest price for the state in which the written agreement will be applicable.

* * * * *

L. Amend section 9(a) of § 457.8 as follows:

a. Redesignate sections 9(a)(2) through (9) as sections 9(a)(3) through (10);

b. Add a new section 9(a)(2);

c. Amend redesignated section 9(a)(3) by adding the words ''or sorghum'' between the words ''corn'' and ''silage'; and

d. Amend redesignated section 9(a)(10)(ii) by removing the phrase ''section 9(a)(9)(i)(A)'' and adding ''section 9(a)(10)(i)(A)'' in its place.

The added text reads as follows:

9. Insurable Acreage.

(a) * * *

(2) On which the only crop that has been planted and harvested in one of the previous three crop years is a cover, hay, or forage crop, except corn or sorghum silage unless:

(i) Allowed by the Crop Provisions or a written agreement; or

(ii) The crop to be insured on the acreage is a hay or forage crop;

* * * * *

M. Amend section 10 of § 457.8 by revising paragraphs (a) and (b) to read as follows:

10. Share Insured.

(a) Insurance will attach only if the person completing the application has a share in the insured crop and will only attach to that person's share. Insurance will not extend to any other person having a share in the crop:

(1) Unless the application clearly states the insurance is requested for an entity other than an individual (For example, a partnership or a joint venture); or

(2) Unless the application clearly states you:

(i) As landlord will insure your tenant's share;

(ii) As tenant will insure your landlord's share; or

(iii) As authorized in section 10(b):

(A) As a spouse will insure your spouse's share;

(B) As a parent will insure your child's share;

(C) As a child will insure your parent's share; or

(D) As a member of the household will insure the other household members' shares.

(3) If you insure any of the shares under section 10(a)(2), you must provide evidence of the other party's approval (lease, power of attorney, etc.) and such evidence will be retained by us;

(i) You also must clearly set forth the percentage shares of each person on the acreage report;

(ii) For each landlord or tenant that is an individual, you must report the landlord's or tenant's social security number; and

(iii) For each landlord or tenant that is a person other than an individual or for a trust administered by the Bureau of Indian Affairs, you must report each landlord's or tenant's social security number, employer identification number, or other identification number assigned for the purposes of this policy.

(b) With respect to your share:

(1) We will consider to be included in your share under your policy, any acreage or interest reported by or for:

(i) Your spouse, unless such spouse can prove he/she has a separate farming operation, which includes, but is not limited to, separate land excluding transfers of acreage from one spouse to another, separate capital, separate equipment, separate inputs, separate accounting, separate maintenance of proceeds; or

(ii) Your child or any member of your household, unless the child or other member of the household can demonstrate such person has a separate share in the crop; and

(2) If it is determined that the spouse, child or other member of the household has a separate policy but does not have a separate farming operation or share of the crop, as applicable:

(i) The spouse's policy will be void and will be determined in accordance with section 22(a); or

(ii) The child or other member of the household's policy will be void; and

(iii) No premium will be due and no indemnity will be paid for a policy that is voided in accordance with sections 10(b)(2)(i) and (ii).

* * * * *

N. Amend section 12 of § 457.8 as follows:

a. Revise the introductory paragraph;

b. Revise paragraph (d);

c. Amend paragraph (e) by removing the word ''or'' after the semicolon;

d. Amend paragraph (f) by removing the period at the end and replacing it with ''; or'; and

e. Add a new paragraph (g).

The revised and added text reads as follows:

12. Causes of Loss.

Except for protection against a change in price, the insurance provided is against only those unavoidable naturally occurring events specified in the Crop Provisions. For all policies, including those for which revenue protection is available, the following causes of loss are NOT covered:

* * * * *

(d) Failure or breakdown of the irrigation equipment or facilities, or the inability to prepare the land for irrigation using your established irrigation method (*e.g.*, furrow irrigation), unless the failure, breakdown or inability is due to a cause of loss specified in the Crop Provisions.

(1) If damage is due to an insured cause, you must make all reasonable efforts to restore the equipment or facilities to proper working order within a reasonable amount of time unless we determine it is not practical to do so.

(2) Cost will not be considered when determining whether it is practical to restore the equipment or facilities;

* * * * *

(g) Any act by a third person that adversely affects the yield or price, such as terrorism, chemical drift, theft, etc.

O. Amend section 13 of § 457.8 as follows:

a. Amend paragraph (a) of this section by adding a new sentence at the end; and

b. Revise paragraph (c).

The revised text reads as follows:

13. Replanting Payment.

* * * * *

(a) * * * If the crops to be replanted are in a whole-farm unit, the 20 acres or 20 percent requirement is to be applied separately to each crop to be replanted in the whole-farm unit.

* * * * *

(c) The replanting payment per acre will be your actual cost for replanting, unless otherwise specified in the Crop Provisions or Special Provisions.

* * * * *

P. Amend section 14 of § 457.8 as follows:

a. Revise the text under ''Your Duties''

b. Under ''Our Duties'' redesignate paragraphs (a) through (d) as paragraphs (f) through (i); and

c. Add a new paragraph (j) to the text under ''Our Duties''.

The revised and added text reads as follows:

14. Duties in the Event of Damage, Loss, Abandonment, Destruction, or Alternative Use of Crop or Acreage.

Your Duties—

(a) In the case of damage or a potential loss of production or revenue to any insured crop, you must protect the crop from further damage by providing sufficient care.

(b) Notice provisions:

(1) For a planted crop where there is damage or a potential loss of production or revenue, you must give us notice, by unit for each insured crop:

(i) For crops for which revenue protection is not available and crops for which revenue protection is available but is not elected, the earlier of:

(A) Within 72 hours of your initial discovery of damage or a potential loss of production; or

(B) Within 72 hours after the end of the insurance period, even if you have not harvested the crop by the calendar date for the end of the insurance period;

(ii) For crops for which revenue protection is elected:

(A) The earlier of:

(*1*) Within 72 hours of your initial discovery of damage or a potential loss of production; or

(*2*) Within 72 hours after the end of the insurance period, even if you have not harvested the crop by the calendar date for the end of the insurance period; or

(B) If notices are not required under section 14(b)(1)(ii)(A), not later than 45 days after the latest date the harvest price is released for any crop in the unit where there is a potential revenue loss;

(2) In the event you are prevented from planting an insured crop which has prevented planting coverage, you must notify us within 72 hours after:

(i) The final planting date, if you do not intend to plant the insured crop during the late planting period or if a late planting period is not applicable; or

(ii) You determine you will not be able to plant the insured crop within any applicable late planting period.

(3) 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.

(4) Failure to comply with these notice requirements will result in:

(i) For failure to timely report production losses in accordance with sections 14(b)(1)(i) and 14(b)(1)(ii)(A) or prevented planting acreage in accordance with section 14(b)(2), any production loss or prevented planting will be considered due to an uninsured cause of loss for the acreage for which failure occurred, unless we determine that we have the ability to accurately determine the amount and cause of the loss; or

(ii) For failure to timely report a revenue loss in accordance with section 14(b)(1)(ii)(B), denial of any indemnity due for the acreage for which such failure occurred (You will still be required to pay all premiums owed).

(c) Representative samples:

(1) If representative samples are required by the Crop Provisions, leave representative

samples intact of the unharvested crop if you report damage less than 15 days before the time you begin harvest or during harvest of the damaged unit.

(2) The samples must be left intact until we inspect them or until 15 days after completion of harvest on the unit, whichever is earlier.

(3) Unless otherwise specified in the Crop Provisions or Special Provisions, the samples of the crop in each field in the unit must be 10 feet wide and extend the entire length of the rows, if the crop is planted in rows, or if the crop is not planted in rows, the longest dimension of the field.

(4) The period to retain representative samples may be extended if it is necessary to accurately determine the loss and you will be notified in writing of any such extension.

(d) Consent:

(1) You must obtain consent from us before, and notify us after you:

(i) Destroy any of the insured crop that is not harvested;

(ii) Put the insured crop to an alternative use;

(iii) Put the acreage to another use; or

(iv) Abandon any portion of the insured crop; and

(2) We will not give consent for any of the actions in section 14(d)(i) through (iv) if it is practical to replant the crop or until we have made an appraisal of the potential production of the crop.

(3) Failure to obtain our consent will result in the assignment of an amount of production or value to count in accordance with the claims provisions of the applicable Crop Provisions.

(e) Claims:

(1) You must submit a claim for indemnity declaring the amount of your loss by the dates shown in section 14(e)(3) unless you request an extension in writing by the applicable date below and we agree to such extension. Extensions will only be granted if the amount of the loss cannot be determined within such time period because the information needed to determine the amount of the loss is not available.

(2) Failure to timely submit a claim or provide the required information will result in no indemnity, prevented planting payment or replant payment (Even though no indemnity or other payment is due, you will still be required to pay the premium due under the policy for the unit).

(3) Deadlines for submitting claims:

(i) For crops covered by yield protection and for which revenue protection is not available, you must submit a claim for indemnity not later than 60 days after the end of the insurance period.

(ii) For crops covered by revenue protection, you must submit a claim for indemnity by the later of 60 days after the latest date the harvest price is released for any crop in the unit or 60 days after the latest date for the end of the insurance period for the unit.

(4) In order to receive an indemnity, or receive the rest of an indemnity in the case of acreage that is planted to a second crop, as applicable, the burden is on you to:

(i) Provide:

(A) A complete harvesting, production, and marketing record of each insured crop by unit including separate records showing the same information for production from any acreage not insured.

(B) Records as indicated below if you insure any acreage that may be subject to an indemnity reduction as specified in section 15(e)(2):

(*1*) To qualify for the rest of the indemnity for the first insured crop, if there is a loss on the unit that includes acreage of the second crop, records of production for the acreage planted to the second crop must be kept separate from the production for the rest of the acreage in the unit (For example, if you have an insurable loss on 10 acres of wheat and subsequently plant cotton on the same 10 acres, you must provide records of the wheat and cotton production on the 10 acres separate from any other wheat and cotton production that may be planted in the same unit);

(*2*) If there is no loss on the unit that includes acreage of the second crop, no separate records need to be submitted for the second crop and you can receive the rest of the indemnity for the first insured crop.

(C) Any other information we may require to settle the claim.

(ii) Cooperate with us in the investigation or settlement of the claim, and, as often as we reasonably require:

(A) Show us the damaged crop;

(B) Allow us to remove samples of the insured crop; and

(C) Provide us with records and documents we request and permit us to make copies.

(iii) Establish:

(A) The total production or value received for the insured crop on the unit;

(B) That any loss of production or value occurred during the insurance period;

(C) That the loss of production or value was directly caused by one or more of the insured causes specified in the Crop Provisions; and

(D) That you have complied with all provisions of this policy.

(iv) Upon our request, or that of any USDA employee authorized to conduct investigations of the crop insurance program, submit to an examination under oath.

(5) Failure to meet any burden on you contained in section 14(e)(4) will result in denial of the claim and any premium will still be owed for the crop year, unless another sanction is specified in this section.

Our Duties—

* * * * *

(j) For revenue protection, we may make preliminary indemnity payments for crop production losses prior to the release of the harvest price if you have not elected the harvest price exclusion option.

(1) First, we may pay an initial indemnity based upon your projected price, in accordance with the applicable Crop Provisions provided that your production to count and share have been established; and

(2) Second, after the harvest price is released, and if it is not equal to the projected price, we will recalculate the indemnity payment and pay any additional indemnity that may be due.

* * * * *

Q. Amend section 15 of § 457.8 as follows:

a. Amend paragraph (b)(1) by adding the following phrase immediately before the semicolon ''(If you fail to provide such records, no indemnity will be paid and you will be required to return any previously paid indemnity for the unit that was based on an appraised amount of production.)''; and

b. Revise paragraph (c) to read as follows:

15. Production Included in Determining an Indemnity and Payment Reductions.

* * * * *

(c) If you elect to exclude hail and fire as insured causes of loss and the insured crop is damaged by hail or fire, appraisals will be made as described in our form used to exclude hail and fire.

* * * * *

R. Amend section 17 of § 457.8 as follows:

a. Revise paragraph (a)(1) introductory text;

b. Amend paragraph (a)(2) by adding the word ''insurable'' after the word ''any'';

c. Revise paragraph (a)(3);

d. Revise paragraph (b)(4);

e. Amend paragraph (c) by adding an ''s'' to the word ''section'' to make it plural and adding the phrase ''and 34(f)'' after ''15(f)'';

f. Amend paragraph (d) by redesignating the introductory text as paragraph (1), redesignating paragraphs (1) and (2) as (i) and (ii) respectively, and adding a new introductory text;

g. Revise redesignated paragraphs (d)(1) introductory text and (d)(1)(ii);

h. Add a new paragraph (d)(2);

i. Revise paragraph (e)(1);

j. Amend paragraph (e)(2) by removing the words ''the table contained in'';

k. Revise paragraph (f)(1) introductory text;

l. Amend paragraph (f)(2) by removing the word ''a'' after the word ''determine'' and adding the word ''the'' in its place;

m. Amend paragraph (f)(3) by adding the word ''is'' after the phrase ''agency, or'';

n. Revise paragraph (f)(4);

o. Revise paragraph (f)(6);

p. Revise paragraph (f)(9);

q. Revise paragraph (f)(11);

r. Revise paragraph (h); and

s. Revise paragraph (i)(1).

The revised and added text reads as follows:

17. Prevented Planting

(a) * * *

(1) You are prevented from planting the insured crop on insurable acreage by an insured cause of loss that occurs:

* * * * *

(3) You did not plant the insured crop during or after the late planting period.

Acreage planted to the insured crop during or after the late planting period is covered under the late planting provisions.

(b) * * *

(4) You may not increase your elected or assigned prevented planting coverage level for any crop year if a cause of loss has occurred during the prevented planting insurance period specified in section 17(a)(1)(i) or (ii) and prior to your request to change your prevented planting coverage level.

* * * * *

(d) Prevented planting coverage will be provided against:

(1) Drought, failure of the irrigation water supply, failure or breakdown of irrigation equipment or facilities, or the inability to prepare the land for irrigation using your established irrigation method, due to an insured cause of loss only if, on the final planting date (or within the late planting period if you elect to try to plant the crop):

* * * * *

(ii) For irrigated acreage, due to an insured cause of loss, there is not a reasonable expectation of having adequate water to carry out an irrigated practice, irrigation equipment or facilities have failed or broken down, or you are unable to prepare the land for irrigation using your established irrigation method, as specified in section 12(d).

(A) If you knew or had reason to know on the final planting date or during the late planting period that your water will be reduced, no reasonable expectation exists.

(B) Available water resources will be verified using information from State Departments of Water Resources, U.S. Bureau of Reclamation, Natural Resources Conservation Service or other sources whose business includes collection of water data or regulation of water resources.

(2) Causes other than drought, failure of the irrigation water supply, failure or breakdown of the irrigation equipment, or your inability to prepare the land for irrigation using your established irrigation method, provided the cause of loss is specified in the Crop Provisions. However, if it is possible for you to plant on or prior to the final planting date when other producers in the area are planting and you fail to plant, no prevented planting payment will be made.

(e) * * *

(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 17(f)(4). The eligible acres for each insured crop will be determined as follows:

(i) If you have planted any crop in the county for which prevented planting insurance was available (you will be considered to have planted if your APH database contains actual planted acres) or have received a prevented planting insurance guarantee in any of the 4 most recent crop years, and the insured crop is not required to be contracted with a processor to be insured:

(A) The number of eligible acres will be the maximum number of acres certified for APH purposes, or insured acres reported, for the crop in any one of the 4 most recent crop years (not including reported prevented planting acreage that was planted to a second crop unless you meet the double cropping requirements in section 17(f)(4)) and not including prevented planting acreage for which payment is made based on another crop as described in section 17(h). For example, if payment for 100 acres of prevented planting corn is based on 50 acres of corn and 50 acres of soybeans, 50 acres of corn will be considered when determining eligible corn acres for subsequent years and 50 acres of soybeans will be considered when determining eligible soybean acres for subsequent years.

(B) If you acquire additional land for the current crop year, the number of eligible acres determined in section 17(e)(1)(i) for a crop may be increased by multiplying it by the ratio of the total cropland acres that you are farming this year (if greater) to the total cropland acres that you farmed in the previous year, provided that:

(*1*) You submit proof to us that you acquired additional acreage for the current crop year by any of the methods specified in section 17(f)(12);

(*2*) The additional acreage was acquired in time to plant it for the current crop year using good farming practices; and

(*3*) No cause of loss has occurred at the time you acquire the acreage that may prevent planting (except acreage you lease the previous year and continue to lease in the current crop year).

(C) If you add adequate irrigation facilities to your existing non-irrigated acreage or if you acquired additional land for the current crop year that has adequate irrigation facilities, the number of eligible acres determined in section 17(e)(1)(i) for irrigated acreage of a crop may be increased by multiplying it by the ratio of the total irrigated acres that you are farming this year (if greater) to the total irrigated acres that you farmed in the previous year, provided the conditions in sections 17(e)(1)(i)(B)(*1*), (*2*) and (*3*) are met. If there were no irrigated acres in the previous year, the eligible irrigated acres for a crop will be limited to the lesser of the number of eligible non-irrigated acres of the crop or the number of acres on which adequate irrigation facilities were added.

(ii) If you have not planted any crop in the county for which prevented planting insurance was available or have not received a prevented planting insurance guarantee in any of the 4 most recent crop years, and the insured crop is not required to be contracted with a processor to be insured:

(A) The number of eligible acres will be:

(*1*) The number of acres specified on your intended acreage report, which must be submitted to us by the sales closing date for all crops you insure for the crop year and accepted by us; or

(*2*) The number of acres specified on your intended acreage report, which must be submitted to us within 10 days of the time you obtain the acreage and that is accepted by us, if, on the sales closing date, you do not have any acreage in a county and you subsequently obtain acreage through a method described in section 17(f)(12) in time to plant it using good farming practices.

(B) The total number of acres listed on the intended acreage report may not exceed the number of acres of cropland in your farming operation at the time you submit the intended acreage report.

(C) If you obtain additional acreage after we accept your intended acreage report, the number of acres determined in section 17(e)(1)(ii)(A) may be increased in accordance with section 17(e)(1)(i)(B) and (C).

(D) Prevented planting coverage will not be provided for any acreage included on the intended acreage report or any increased amount of acreage determined in accordance with section 17(e)(1)(ii)(C) if a cause of loss that may prevent planting occurred before the acreage was acquired, as determined by us.

(iii) For any crop that must be contracted with a processor to be insured:

(A) The number of eligible acres will be:

(*1*) 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;

(*2*) 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); or

(*3*) Notwithstanding sections 17(e)(1)(iii)(A)(*1*) and (*2*), if a minimum number of acres or amount of production is specified in the processor contract, this amount will be used to determine the eligible acres.

(B) If a processor cancels or does not provide contracts, or reduces the contracted acreage or production from what would have otherwise been allowed, solely because the acreage was prevented from being planted due to an insured cause of loss, we will determine the number of eligible acres based on the number of acres or amount of production you had contracted in the county in the previous crop year. If the applicable crop provisions require that the price election be based on a contract price, and a contract is not in force for the current year, the price election will be based on the contract price in place for the previous crop year. If you did not have a processor contract in place for the previous crop year, you will not have any eligible prevented planting acreage for the applicable processor crop. The total eligible prevented planting acres in all counties cannot exceed the total number of acres or amount of production contracted in all counties in the previous crop year.

* * * * *

(f) * * *

(1) That does not constitute at least 20 acres or 20 percent of the insurable crop acreage in the unit, whichever is less (if the crop is in a whole-farm unit, the 20-acre or 20 percent requirement will be applied separately to each crop in the whole-farm unit). 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:

* * * * *

(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:

(i) It is a practice that is generally recognized by agricultural experts or the organic agricultural industry in the area to plant the second crop for harvest following harvest of the first insured crop, and additional coverage insurance offered under the authority of the Act is available in the county for both crops in the same crop year;

(ii) You provide records acceptable to us of acreage and production that show you have double cropped acreage in at least two of the last four crop years in which the second crop that was prevented from being planted (the crop that was prevented from being planted following another crop that was planted if qualifying under section 17(f)(5)(i)(A)) was planted, or show the applicable acreage was double cropped in at least two of the last four crop years in which the second crop that was prevented from being planted (the crop that was prevented from being planted following another crop that was planted if qualifying under section 17(f)(5)(i)(A)) was grown on it; and

(iii) The amount of acreage you are double-cropping in the current crop year does not exceed the number of acres for which you provide the records required in section 17(f)(4)(ii);

* * * * *

(6) For which planting history or conservation plans indicate that the acreage would have remained fallow for crop rotation purposes or on which any pasture or other forage crop is in place on the acreage during the time that planting of the insured crop generally occurs in the area.

(i) Cover or volunteer plants that are seeded, transplanted, or that volunteer more than 12 months prior to the final planting date for the insured crop that was prevented from being planted will be considered pasture or other forage crop that is in place (For example, the cover crop is planted 15 months prior to the final planting date and remains in place during the time the insured crop would normally be planted); and

(ii) Cover or volunteer plants that are seeded, transplanted, or that volunteer less than 12 months prior to the final planting date for the insured crop that was prevented from being planted will not be considered pasture or other forage crop that is in place;

* * * * *

(9) 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 your production guarantee or amount of insurance.

(i) Inputs include, but are not limited to, sufficient equipment and manpower necessary to plant and produce a crop with the expectation of at least producing the yield used to determine your production guarantee or amount of insurance.

(ii) Evidence that you previously had planted the crop on the unit will be considered adequate proof unless:

(A) There has been a substantial change in the availability of inputs since the crop was last planted;

(B) You have insufficient inputs to plant the number of acres for which you are claiming prevented planting; or

(C) Your planting practices or rotational requirements show that the acreage would have remained fallow or been planted to another crop;

* * * * *

(11) 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:

(i) Types for which separate projected prices or price elections, as applicable, amounts of insurance, or production guarantees are available must be included in your APH database in at least one of the four most recent crop years (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 17(e)(1)(ii) or (iii); and

(ii) 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 17(e) and (f); or

* * * * *

(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 17(e)(1), your eligible prevented planting acreage will be based on the crops insured for the current crop year for which you have remaining eligible prevented planting acreage:

(1) Your prevented planting payment will be based on the crop with the prevented planting payment most similar to the prevented planting payment that would have been made for the crop that was prevented from being planted:

(i) For crops whose remaining eligible prevented planting acreage will result in a higher prevented planting payment than would be paid for the crop that was prevented from being planted:

(A) The prevented planting payment will be determined by:

(*1*) Dividing the prevented planting payment for the crop that was prevented from being planted by the prevented planting payment for the crop whose eligible acres are being used; and

(*2*) Multiplying the result of section 17(h)(1)(i)(A)(*1*) by the prevented planting payment for the crop whose eligible acres are being used.

(B) The premium amount will be determined by multiplying the premium for the crop whose eligible acres are being used by the result of section 17(h)(1)(i)(A)(*1*).

(ii) For crops whose remaining eligible prevented planting acreage will result in a lower prevented planting payment than would be paid for the crop that was prevented from being planted, the prevented planting payment and the premium will be based on the crop whose eligible acres are being used.

(2) 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 and 90 acres of grain sorghum eligibility that would result in a $30 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 potatoes ($40 per acre).

(3) Prevented planting coverage will be allowed as specified in section 17(h) only if the crop that was prevented from being planted meets all the 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 whose eligible acres are being used.

(4) An additional administrative fee will not be due as a result of using eligible prevented planting acreage as specified in section 17(h).

* * * * *

(i) * * *

(1) Multiplying 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, by:

(i) Your amount of insurance per acre; or

(ii) The amount determined by:

(A) For crops for which revenue protection is not available or an amount of insurance is not applicable, multiplying the production guarantee (per acre) for timely planted acreage of the insured crop (or type, if applicable) by your price election; or

(B) For crops for which revenue protection is available, multiplying the production guarantee (per acre) for timely planted acreage of the insured crop (or type, if applicable) by your projected price;

* * * * *

S. Amend section 18 of § 457.8 as follows:

a. Revise paragraph (c);

b. Revise paragraph (e)(2)(i)(A);

c. Amend paragraph (e)(2)(i)(B) by removing the phrase ''change a tobacco classification,'';

d. Amend paragraph (e)(2)(ii) by adding the phrase ''or to insure a practice, type or variety where the actuarial documents in another county do not permit coverage'' before the semicolon at the end of the paragraph;

e. Amend paragraph (f)(1)(ii) by adding the phrase ''in which the crop was planted'' between the phrases ''crop year'' and ''during the base period'';

f. Revise paragraph (f)(1)(iv);

g. Amend paragraph (f)(2)(i) by adding the phrase ''signed by you'' after the phrase ''A completed APH form'';

h. Amend paragraph (g)(2) by removing the word ''or'' after the semicolon;

i. Amend paragraph (g)(3) by adding the word ''or'' after the semicolon;

j. Add a new paragraph (g)(4);

k. Amend paragraph (i)(2) by removing the phrase ''sent to us'' and adding the word ''postmarked'' in its place;

l. Amend paragraph (j) by removing the word ''Multiyear'' and adding the word ''Multi-year'' in its place;

m. Amend paragraph (m) by removing the word ''and'' after the semicolon;

n. Amend paragraph (n) by removing the period at the end of the current text, and adding the term ''; and'' in its place; and

o. Add a new paragraph (o).

The revised and added text reads as follows:

18. Written Agreements

* * * * *

(c) If approved by FCIC, the written agreement will include all variable terms of the contract, including, but not limited to, crop practice, type or variety, the guarantee (except for a written agreement in effect for more than one year) and premium rate or information needed to determine the guarantee and premium rate, and projected and harvest prices in accordance with the Commodity Exchange Price Provisions, price election or amount of insurance, as applicable. If the written agreement is for a:

(1) County that has a price election stated in the actuarial documents, or an addendum thereto, for the crop, type, practice or variety, the written agreement will contain the price election stated in such actuarial documents for the crop, type or variety;

(2) County that does not have price elections stated on the actuarial documents, or an addendum thereto, for the crop, type, practice or variety, the written agreement will contain a price election that does not exceed the price election contained in the actuarial documents for the county that is used to establish the other terms of the written agreement;

(3) County for which revenue protection is not available for the crop but revenue protection is available in the state for the crop:

(i) If yield protection is selected, the written agreement will contain the projected price, in accordance with the Commodity Exchange Price Provisions, for the state for the crop and no harvest price will be applicable; and

(ii) If revenue protection is selected, the written agreement will contain the projected price, in accordance with the Commodity Exchange Price Provisions, for the state for the crop and the harvest price will be applicable;

(4) County for which revenue protection is not available, and revenue protection is not available in the state for the crop, the written agreement is available for yield protection only and will contain the projected price from the nearest state for the crop; and

(5) Crop and the projected price, in accordance with the Commodity Exchange Price Provisions, or price election, as applicable, determined in accordance with sections 18(c)(1) through (4) is not appropriate for the crop, the written agreement will not be approved;

* * * * *

(e) * * *

(2) * * *

(i) * * *

(A) Insure unrated land, except acreage that qualifies under section 9(a)(1), or an unrated practice, type or variety of a crop (Such written agreements may be approved only after inspection of the acreage by us, if required by FCIC, and the written agreement may only be approved by FCIC if the crop's potential is equal to or exceeds 90 percent of the yield used to determine your production guarantee or amount of insurance and you sign the agreement on the day the first field is appraised or by the expiration date, whichever comes first; or

* * * * *

(f) * * *

(1) * * *

(iv) The legal description of the land (in areas where legal descriptions are available) and the FSA Farm Serial Number including tract and field or common land unit number, if available. The submission must also include an FSA aerial photograph, or field boundaries derived by a Geographic Information System or Global Positioning System, or other legible maps delineating field boundaries where you intend to plant the crop for which insurance is requested;

* * * * *

(g) * * *

(4) The request is not authorized by the policy;

* * * * *

(o) If you disagree with any determination made by FCIC under section 18, you may obtain administrative review in accordance with 7 CFR part 400, subpart J or appeal in accordance with 7 CFR part 11, unless you have failed to comply with the provisions contained in section 18(g) or section 18(i)(2) or (3).

* * * * *

T. Amend section 20 (For FCIC policies) of § 457.8 as follows:

a. Revise paragraph (b)(1);

b. Revise paragraph (c); and

c. Redesignate paragraphs (d) and (e) as paragraphs (e) and (f), respectively, and add a new paragraph (d).

The revised and added text reads as follows:

[For FCIC Policies]

20. Appeal, Reconsideration, Administrative and Judicial Review.

* * * * *

(b) * * *

(1) Except for determinations specified in section 18(g), section 18(i)(2) or (3) or section 20(b)(2), obtain an administrative review in accordance with 7 CFR part 400, subpart J (administrative review) or appeal in accordance with 7 CFR part 11 (appeal); or

* * * * *

(c) If you fail to exhaust your right to appeal, you will not be able to resolve the dispute through judicial review.

(d) You are not required to exhaust your right to reconsideration prior to seeking judicial review. If you do not request reconsideration and you elect to file suit, such suit must be brought in accordance with section 20(e)(2) and must be filed not later than one year after the date the determination regarding whether you used good farming practices was made.

* * * * *

U. Amend section 20 (For reinsured policies) of § 457.8 as follows:

a. Revise paragraphs (d) and (e); and

b. Amend paragraph (j) by removing the phrase ''elects to participate in the adjustment of your claim, or'' and by removing the comma after the phrase ''corrects your claim''.

The revised text reads as follows:

[For Reinsured Policies]

20. Mediation, Arbitration, Appeal, Reconsideration, and Administrative and Judicial Review.

* * * * *

(d) With respect to good farming practices:

(1) We will make decisions regarding what constitutes a good farming practice and determinations of assigned production for uninsured causes for your failure to use good farming practices.

(i) If you disagree with our decision of what constitutes a good farming practice, you must request a determination from FCIC of what constitutes a good farming practice before filing any suit against FCIC.

(ii) If you disagree with our determination of the amount of assigned production, you must use the arbitration or mediation process contained in this section.

(iii) You may not sue us for our decisions regarding whether good farming practices were used by you.

(2) FCIC will make determinations regarding what constitutes a good farming practice. If you do not agree with any determination made by FCIC:

(i) You may request reconsideration by FCIC of this determination in accordance with the reconsideration process established for this purpose and published at 7 CFR part 400, subpart J; or

(ii) You may file suit against FCIC.

(A) You are not required to request reconsideration from FCIC before filing suit.

(B) Any suit must be brought against FCIC in the United States district court for the district in which the insured acreage is located.

(C) Suit must be filed against FCIC not later than one year after the date:

(*1*) Of the determination; or

(*2*) Reconsideration is completed, if reconsideration was requested under section 20(d)(2)(i).

(e) Except as provided in sections 18(n), 18(o), or 20(d), if you disagree with any other determination made by FCIC, you may obtain an administrative review in accordance with 7 CFR part 400, subpart J (administrative review) or appeal in accordance with 7 CFR part 11 (appeal). If you elect to bring suit

after completion of any appeal, such suit must be filed against FCIC not later than one year after the date of the decision rendered in such appeal. Under no circumstances can you recover any attorney fees or other expenses, or any punitive, compensatory or any other damages from FCIC.

* * * * *

V. Amend section 21 of § 457.8 as follows:

a. Revise paragraph (b)(2); and

b. Add a new paragraph (b)(3).

The revised and added text reads as follows:

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

* * * * *

(b) * * *

(2) All records used to establish the amount of production you certified on your production reports used to compute your approved yield for three years after the calendar date for the end of the insurance period for the crop year for which you initially certified such records, unless such records have already been provided to us (For example, if you are a new insured and you certify 2005 through 2008 crop year production records in 2009 to determine your approved yield for the 2009 crop year, you must retain all records from the 2005 through 2008 crop years through the 2012 crop year. If you subsequently certify records of the 2009 crop year in 2010 to determine your approved yield for the 2010 crop year, you must retain the 2009 crop year records through the 2013 crop year and so forth for each subsequent year of production records certified.); and

(3) If FCIC determines you or anyone assisting you knowingly misreported any information related to any yield you have certified, we may replace all yields in your APH we determine to be incorrect with the lesser of an assigned yield or the yield we determine is correct.

* * * * *

W. Revise section 28 of § 457.8 to read as follows:

28. Transfer of Coverage and Right to Indemnity.

If you sell or lease all or a part of your farming operation to a third party or enter into a relationship with another person to provide them a share of the insured crop after the sales closing date, you may transfer your coverage, or your right to coverage if coverage has not attached at the time of transfer, for your share in the insured crop if the transferee is eligible for crop insurance.

(a) Your selection of revenue protection or yield protection, if revenue protection is available for the crop, approved yield, coverage level, and percentage of price or amount of insurance will apply to the insured crop for which coverage or the right to coverage is transferred.

(b) No indemnity paid for any transferred coverage or right to coverage, will exceed the liability under your policy.

(c) The transfer of coverage or the right to coverage must be on our form and will not be effective until approved by us in writing.

(d) Both you and the transferee are jointly and severally liable for the payment of the premium and administrative fees owed for the coverage or right to coverage that has been transferred. For example, you transfer coverage on 20 acres in a 100 acre unit. The transferee would only be jointly and severally liable for the premium on the 20 acres, not the whole unit.

(e) The transferee has all rights and responsibilities under this policy consistent with the transferee's interest.

X. Revise section 29 of § 457.8 to read as follows:

29. Assignment of Indemnity.

(a) You may assign your right to an indemnity for the crop year only to one or more of your creditors.

(b) All assignments must be on our form and must be provided to us. We will only accept one assignment form for each crop.

(c) We will not make any payment to a lienholder with a lien on an insured crop unless you have executed an assignment of indemnity to that lienholder.

(d) Under no circumstances will we be liable for any amount greater than the amount of indemnity owed under the policy for any assignment of indemnity.

(e) The assignee will have the right to submit all loss notices and forms as required by the policy.

(f) If you have suffered a loss from an insurable cause and fail to file a claim for indemnity within the period specified in section 14(e), the assignee may submit the claim for indemnity not later than 45 days after the period for filing a claim 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.

* * * * *

Y. Remove and reserve section 30 of § 457.8.

Z. Amend section 34 of § 457.8 as follows:

a. Revise the heading;

b. Amend paragraph (a)(1) by revising the first sentence;

c. Revise paragraphs (a)(2) and (3);

d. Revise paragraph (c)(1); and

e. Add a new paragraph (f).

The revised and added text reads as follows:

34. Units.

(a) * * *

(1) You must make such election on or before the earliest sales closing date for the insured crops in the unit and report such unit structure to us in writing. * * *

* * * * *

(2) For an enterprise unit:

(i) To qualify, an enterprise unit must contain all of the insurable acreage of the same insured crop in:

(A) One or more basic units that are located in two or more separate sections, section equivalents, FSA farm serial numbers, or units established by a written unit agreement, with at least some planted acreage of the insured crop in two or more separate sections, section equivalents, FSA farm serial numbers, or two or more separate units as established by a written unit agreement; or

(B) Two or more optional units established by separate sections, section equivalents, or FSA farm serial numbers, or as established by a written unit agreement, with at least two optional units containing some planted acreage of the insured crop;

(ii) Both a spring type and a winter or fall type of the same insured crop cannot be part of the same enterprise unit (e.g., you may have an enterprise unit for spring wheat and a separate enterprise unit for winter wheat);

(iii) If you want to change your unit structure from enterprise units to basic or optional units in subsequent crop years, you must maintain separate records of acreage and production for such basic or optional units;

(iv) If you do not comply with the production reporting provisions in section 3(e) for the enterprise unit, your yield for the enterprise unit will be determined in accordance with section 3(e)(1);

(v) You must separately designate on the acreage report each basic unit and each section or other basis in section 34(a)(2)(i) you used to qualify for an enterprise unit; and

(vi) At any time we discover you do not qualify for an enterprise unit, we will assign the basic unit structure;

(3) For a whole-farm unit:

(i) To qualify:

(A) All crops in the whole-farm unit eligible for revenue protection must be insured under revenue protection and with us;

(B) A whole-farm unit must contain all of the insurable acreage planted to at least two crops eligible for revenue protection;

(C) You will be required to pay separate administrative fees for each crop included in the whole-farm unit;

(ii) At least two of the insured crops must each have planted acreage liability that constitutes 10 percent or more of the total planted acreage liability of all insured crops in the whole-farm unit;

(iii) Winter or fall types of an insured crop, including, but not limited to, winter wheat, winter barley, and fall canola, cannot be included in a whole-farm unit;

(iv) You must separately designate on the acreage report each basic unit for each crop in the whole-farm unit; and

(v) At any time we discover you do not qualify for a whole-farm unit, we will assign the basic unit structure (e.g., if you elect a whole-farm unit, you plant corn and soybeans for which you have elected revenue protection and both crops planted acreage liability constitutes 10 percent or more of the total planted acreage liability and you plant canola for which you have elected yield protection even though revenue protection is available, you would not qualify for a whole-farm unit and the corn, soybeans and canola would be assigned basic units);

* * * * *

(c) * * *

(1) Optional units may be established if each optional unit is located in a separate section.

(i) In the absence of sections, we may consider as the equivalent of sections for unit purposes:

(A) Except as provided in section 34(c)(1)(i)(B), parcels of land legally identified by other methods of measure (For example, Spanish grants); or

(B) Parcels of land that are grouped together that only have metes and bounds identifiers, in accordance with FCIC approved procedures.

(ii) Each optional unit may be located in a separate Farm Serial Number if:

(A) The area has not been surveyed using sections;

(B) Section equivalents under section 34(c)(1)(i) are not available; or

(C) In areas where boundaries are not readily discernible.

* * * * *

(f) Any unit discounts contained in the actuarial documents will only apply to planted acreage in the applicable unit. A unit discount will not apply to any prevented planting acreage.

AA. Amend section 35 of § 457.8 as follows:

a. Amend paragraph (a) by removing the misspelled word ''anadditional'' and adding the phrase ''an additional'' in its place;

b. Revise paragraph (b); and

c. Add a new paragraph (d).

The revised and added text reads as follows:

35. Multiple Benefits.

* * * * *

(b) The total amount received from all such sources may not exceed the amount of your actual loss. The amount of the actual loss is the difference between the total value of the insured crop before the loss and the total value of the insured crop after the loss.

(1) For crops for which revenue protection is not available:

(i) The total value of crops for which you have an approved yield before the loss is your approved yield times the highest price election for the crop;

(ii) The total value of crops for which you have an approved yield after the loss is your production to count times the highest price election for the crop;

(iii) If you have an amount of insurance, the total value before the loss is the highest amount of insurance available for the crop; and

(iv) If you have an amount of insurance, the total value after the loss is the production to count times the price contained in the Crop Provisions for valuing production to count.

(2) For crops for which revenue protection is available and:

(i) You elect yield protection:

(A) The total value of the crop before the loss is your approved yield times the highest projected price for the crop; and

(B) The total value of the crop after the loss is your production to count times the highest projected price for the crop; or

(ii) You elect revenue protection:

(A) The total value of the crop before the loss is your approved yield times the higher of the highest projected or harvest price for the crop (If you have elected the harvest price exclusion option, the highest projected price for the crop will be used); and

(B) The total value of the crop after the loss is your production to count times the highest harvest price for the crop.

* * * * *

(d) Failure to obtain crop insurance may impact your ability to obtain benefits under other USDA programs. You should contact any USDA agency from which you wish to obtain benefits to determine eligibility requirements.

* * * * *

3. Amend § 457.101 as follows:

A. Revise the introductory text of § 457.101 to read as follows:

§ 457.101 Small grains crop insurance.

The small grains crop insurance provisions for the 2009 and succeeding crop years are as follows:

* * * * *

B. Revise section 3 of § 457.101 to read as follows:

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

In addition to the requirements of section 3 of the Basic Provisions:

(a) Revenue protection is not available for your oats, rye, flax, or buckwheat. Therefore, if you elect to insure such crops by the sales closing date, they will only be protected against a loss in yield;

(1) You may select only one price election for each crop of oats, rye, flax, or buckwheat in the county insured under this policy unless the Special Provisions provide different price elections by type, in which case each type must be insured using the price election for the respective type; and

(2) The price election you choose for each type must have the same percentage relationship to the maximum price offered by us for each type. For example, if you choose 100 percent of the maximum price election for one type, you must also choose 100 percent of the maximum price election for all other types.

(b) Revenue protection is available for wheat and barley. Therefore, if you elect to insure your wheat or barley, you must elect to insure your wheat or barley with either revenue protection or yield protection by the sales closing date:

(1) You must select the same percentage for both the projected price and the harvest price;

(2) The projected price and harvest price for each type must have the same percentage relationship to the maximum projected price and harvest price. For example, if you choose 100 percent of the maximum projected price and harvest price for one type, you must also choose 100 percent of the maximum projected price and harvest price for all other types;

(3) In counties with both fall and spring sales closing dates for the insured crop:

(i) If you do not have any insured fall planted acreage of the insured crop, you may change your coverage level, percentage of projected price and harvest price, or elect revenue protection or yield protection until the spring sales closing date; or

(ii) If you have any insured fall planted acreage of the insured crop, you may not change your coverage level, percentage of projected price and harvest price or elect revenue protection or yield protection after the fall sales closing date.

* * * * *

C. Amend ''wheat'' under section 5 of § 457.101 as follows:

5. Cancellation and Termination Dates.

The cancellation and termination dates are:

Crop, State and County	Cancellation date	Termination date
WHEAT:		
All Colorado counties except Alamosa, Archuleta, Conejos, Costilla, Custer, Delta, Dolores, Eagle, Garfield, Grand, La Plata, Mesa, Moffat, Montezuma, Montrose, Ouray, Pitkin, Rio Blanco, Rio Grande, Routt, Saguache, and San Miguel; all Iowa counties except Plymouth, Cherokee, Buena Vista, Pocahontas, Humbolt, Wright, Franklin, Butler, Black Hawk, Buchanan, Delaware, Dubuque and all Iowa counties north thereof; all Nebraska counties except Box Butte, Dawes, and Sheridan; all Wisconsin counties except Buffalo, Trempealeau, Jackson, Wood, Portage, Waupaca, Outagamie, Brown, Kewaunee and all Wisconsin counties north thereof; all other states except Alaska, Arizona, California, Connecticut, Idaho, Maine, Massachusetts, Minnesota, Montana, Nevada, New Hampshire, New York, North Dakota, Oregon, Rhode Island, South Dakota, Utah, Vermont, Washington, and Wyoming.	September 30	September 30.

Crop, State and County	Cancellation date	Termination date
Del Norte, Humboldt, Lassen, Modoc, Plumas, Shasta, Siskiyou and Trinity Counties, California; Archuleta, Custer, Delta, Dolores, Eagle, Garfield, Grand, La Plata, Mesa, Moffat, Montezuma, Montrose, Ouray, Pitkin, Rio Blanco, Routt, and San Miguel Counties, Colorado; Connecticut; Idaho; Plymouth, Cherokee, Buena Vista, Pocahontas, Humbolt, Wright, Franklin, Butler, Black Hawk, Buchanan, Delaware, and Dubuque Counties, Iowa, and all Iowa counties north thereof; Massachusetts; all Montana counties except Daniels, Roosevelt, Sheridan, and Valley; Box Butte, Dawes, and Sheridan Counties, Nebraska; New York; Oregon; Rhode Island; all South Dakota counties except Corson, Walworth, Edmunds, Faulk, Spink, Beadle, Kingsbury, Miner, McCook, Turner, Yankton and all South Dakota counties north and east thereof; Washington; Buffalo, Trempealeau, Jackson, Wood, Portage, Waupaca, Outagamie, Brown and Kewaunee Counties, Wisconsin, and all Wisconsin counties north thereof; and all Wyoming counties except Big Horn, Fremont, Hot Springs, Park, and Washakie.	September 30	November 30.
Arizona; all California counties except Del Norte, Humboldt, Lassen, Modoc, Plumas, Shasta, Siskiyou and Trinity; Nevada; and Utah.	October 31	November 30.
Alaska; Alamosa, Conejos, Costilla, Rio Grande and Saguache Counties, Colorado; Maine; Minnesota; Daniels, Roosevelt, Sheridan, and Valley Counties, Montana; New Hampshire; North Dakota; Corson, Walworth, Edmunds, Faulk, Spink, Beadle, Kingsbury, Miner, McCook, Turner, and Yankton Counties, South Dakota, and all South Dakota counties north and east thereof; Vermont; and Big Horn, Fremont, Hot Springs, Park, and Washakie Counties, Wyoming.	March 15	March 15.

* * * * *

D. Amend section 6 of § 457.101 by adding a new paragraph (a)(5) to read as follows:

6. Insured Crop.

(a) * * *

(5) Buckwheat will be insured only if it is produced under a contract with a business enterprise equipped with facilities appropriate to handle and store buckwheat production. The contract must be executed by you and the business enterprise, in effect for the crop year, and a copy provided to us no later than the acreage reporting date. To be considered a contract, the executed document must contain:

(i) A requirement that you plant, grow and deliver buckwheat to the business enterprise;

(ii) The amount of production that will be accepted or a statement that all production from a specified number of acres will be accepted;

(iii) The purchase price or a method to determine such price; and

(iv) Other such terms that establish the obligations of each party to the contract.

* * * * *

E. Amend section 7 of § 457.101 as follows:

a. Amend the introductory text by removing the phrases ''(Insurance Period)'', ''(§ 457.8)'', and ''(§ 457.102)''; and

b. Revise paragraphs (a)(2)(iii) and (v) to read as follows:

7. Insurance Period.

* * * * *

(a) * * *

(2) * * *

(iii) Whenever the Special Provisions designate both fall and spring final planting dates:

(A) Any winter barley or winter wheat that is damaged before the spring final planting date, to the extent that growers in the area would normally not further care for the crop, must be replanted to a winter type of the insured crop to maintain insurance based on the winter type unless we agree that replanting is not practical. If it is not practical to replant to the winter type of wheat or barley but is practical to replant to a spring type, you must replant to a spring type to keep your insurance based on the winter type in force.

(B) Any winter barley or winter wheat acreage that is replanted to a spring type of the same crop when it was practical to replant the winter type will be insured as the spring type and the production guarantee, premium, projected price, and harvest price applicable to the spring type will be used. In this case, the acreage will be considered to be initially planted to the spring type.

(C) Notwithstanding sections 7(a)(2)(iii)(A) and (B), if you have elected coverage under a barley or wheat winter coverage endorsement (if available in the county), insurance will be in accordance with the endorsement.

* * * * *

(v) Whenever the Special Provisions designate only a spring final planting date, any acreage of fall planted barley or fall planted wheat is not insured unless you request such coverage on or before the spring sales closing date, and we agree in writing that the acreage has an adequate stand in the spring to produce the yield used to determine your production guarantee.

(A) The fall planted barley or fall planted wheat will be insured as a spring type for the purpose of the production guarantee, premium, projected price, and harvest price.

(B) Insurance will attach to such acreage on the date we determine an adequate stand exists or on the spring final planting date if we do not determine adequacy of the stand by the spring final planting date.

(C) Any acreage of such fall planted barley or fall planted wheat that is damaged after it is accepted for insurance but before the spring final planting date, to the extent that growers in the area would normally not further care for the crop, must be replanted to a spring type of the insured crop unless we agree it is not practical to replant.

(D) If fall planted acreage is not to be insured it must be recorded on the acreage report as uninsured fall planted acreage.

* * * * *

F. Amend section 8 of § 457.101 as follows:

a. Remove the phrase ''(Causes of Loss)'' in the introductory text;

b. Remove the word ''or'' at the end of paragraph (g);

c. Revise paragraph (h); and

d. Add a new paragraph (i).

The revised and added text reads as follows:

8. Causes of Loss.

* * * * *

(h) Failure of the irrigation water supply due to a cause of loss specified in sections 8(a) through (g) that also occurs during the insurance period; or

(i) For revenue protection, a decline in the harvest price below the projected price.

* * * * *

G. Amend section 9 of § 457.101 as follows:

a. Revise paragraph (c);

b. Amend the introductory text of paragraph (e) by adding the phrase ''or the projected price, as applicable,'' after the phrase ''price election'' in the first sentence, removing the phrase ''price election'' and adding the phrase ''projected price'' in its place in the second sentence, and adding the phrase ''or projected price, as applicable,'' after the phrase ''price election'' in the fourth sentence; and

c. Amend paragraph (e)(1) by adding the phrase ''or projected price, as applicable'' after the phrase ''price election''.

The revised text reads as follows:

9. Replanting Payments.

* * * * *

(c) The maximum amount of the replanting payment per acre will be:

(1) The lesser of 20 percent of the production guarantee or the number of bushels for the applicable crop specified below:

(i) 2 bushels for flax or buckwheat;

(ii) 4 bushels for wheat; or

(iii) 5 bushels for barley or oats;

(2) Multiplied by:

(i) Your price election for: oats, flax or buckwheat; or

(ii) Your projected price for wheat or barley; and

(3) Multiplied by your share.

* * * * *

H. Revise section 10 of § 457.101 to read as follows:

10. Duties in the Event of Damage or Loss.

Representative samples are required in accordance with section 14 of the Basic Provisions.

* * * * *

I. Revise section 11(b) of § 457.101 to read as follows:

11. Settlement of Claim.

* * * * *

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

(1) Multiplying the number of insured acres of each insured crop or type, as applicable by your respective:

(i) Production guarantee (per acre) and your applicable:

(A) Projected price for wheat or barley if you elected yield protection; or

(B) Price election for oats, rye, flax, or buckwheat; or

(ii) Revenue protection guarantee (per acre) if you elected revenue protection;

(2) Totaling the results of section 11(b)(1)(i)(A) or (B), or section 11(b)(1)(ii), whichever is applicable;

(3) Multiplying the production to count of each insured crop or type, as applicable, by your respective:

(i) Projected price for wheat or barley if you elected yield protection;

(ii) Price election for oats, rye, flax, or buckwheat; or

(iii) Harvest price if you elected revenue protection;

(4) Totaling the results of section 11(b)(3)(i), (ii), or (iii), whichever is applicable;

(5) Subtracting the result of section 11(b)(4) from the result of section 11(b)(2); and

(6) Multiplying the result of section 11(b)(5) by your share.

For example:

You have 100 percent share in 50 acres of wheat in the unit with a production guarantee (per acre) of 45 bushels, the projected price is $3.40, the harvest price is $3.45, and your production to count is 2,000 bushels.

If you elected yield protection:

(1) 50 acres × 45 bushel production guarantee × $3.40 projected price = $7,650.00 value of the production guarantee.

(3) 2,000 bushel production to count × $3.40 projected price = $6,800.00 value of the production to count.

(5) $7,650.00 − $6,800.00 = $850.00.

(6) $850.00 × 1.000 share = $850.00 indemnity; or

If you elected revenue protection:

(1) 50 acres × (45 bushel production guarantee × $3.45 harvest price) = $7,762.50 revenue protection guarantee.

(3) 2,000 bushel production to count × $3.45 harvest price = $6,900.00 value of the production to count.

(5) $7,762.50 − $6,900.00 = $862.50.

(6) $862.50 × 1.000 share = $863.00 indemnity.

* * * * *

J. Amend section 13(b) of § 457.101 by removing the phrase ''limited or''.

4. Amend § 457.104 as follows:

A. Revise the introductory text of § 457.104 to read as follows:

§ 457.104 Cotton crop insurance provisions.

The cotton crop insurance provisions for the 2009 and succeeding crop years are as follows:

* * * * *

B. Revise section 2 of § 457.104 to read as follows:

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

(a) You must elect to insure your cotton with either revenue protection or yield protection by the sales closing date; and

(b) In addition to the requirements of section 3 of the Basic Provisions, you must select the same percentage for both the projected price and the harvest price.

* * * * *

C. Revise section 3 of § 457.104 to read as follows:

3. Contract Changes.

In accordance with section 4 of the Basic Provisions, the contract change date is November 30 preceding the cancellation date.

* * * * *

D. Amend section 4 of § 457.104 by removing the phrases ''(Life of Policy, Cancellation and Termination)'' and ''(§ 457.8)'';

E. Revise section 5 of § 457.104 to read as follows:

5. Insured Crop.

In accordance with section 8 of the Basic Provisions, the crop insured will be all the cotton lint, in the county for which premium rates are provided by the actuarial documents:

(a) In which you have a share; and

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

(1) Colored cotton lint;

(2) Planted into an established grass or legume;

(3) Interplanted with another spring planted crop; or

(4) Grown on acreage following a small grain crop or harvested hay crop in the same calendar year unless the acreage is irrigated.

* * * * *

F. Amend section 6 of § 457.104 by removing the phrases ''(Insurable Acreage)'' and ''(§ 457.8)'' in the introductory text;

G. Amend section 7(b) of § 457.104 by removing the phrases ''(Insurance Period)'' and ''(§ 457.8)'' in the introductory text;

H. Amend section 8 of § 457.104 as follows:

a. Remove the phrases ''(Causes of Loss)'' and ''(§ 457.8)'' in the introductory text;

b. Remove the word ''or'' at the end of paragraph (g);

c. Revise paragraph (h); and

d. Add a new paragraph (i).

The revised and added text reads as follows:

8. Causes of Loss.

* * * * *

(h) Failure of the irrigation water supply due to a cause of loss specified in sections 8(a) through (g) that also occurs during the insurance period; or

(i) For revenue protection, a decline in the harvest price below the projected price.

* * * * *

I. Revise section 9 of § 457.104 to read as follows:

9. Duties in the Event of Damage or Loss.

(a) In addition to your duties under section 14 of the Basic Provisions, in the event of damage or loss, the cotton stalks must remain intact for our inspection. The stalks must not be destroyed, and required samples must not be harvested, until the earlier of our inspection or 15 days after harvest of the balance of the unit is completed and written notice of probable loss given to us.

(b) Representative samples are required in accordance with section 14 of the Basic Provisions.

* * * * *

J. Amend section 10 of § 457.104 as follows:

a. Revise paragraphs (a) and (b);

b. Remove the word ''of'' after the phrase ''harvested production'' and add the word ''or'' in its place in paragraph (c)(1)(iv)(A);

c. Remove the phrase ''seventy-five percent (75%)'' and add the phrase ''85 percent'' in its place in both places in paragraph (d); and

d. Remove the phrase ''contained in the Daily Spot Cotton Quotations published by the USDA Agricultural Marketing Service'' and replace it with the phrase ''for the Upland Cotton Warehouse Loan Rate published by FSA'' in paragraph (d).

The revised text reads as follows:

10. Settlement of Claim.

(a) We will determine your loss on a unit basis. In the event you are unable to provide records of production that are acceptable to us for any:

(1) Optional unit, we will combine all optional units for which acceptable records of production were not provided; or

(2) Basic unit, we will allocate any commingled production to such units in proportion to our liability on the harvested acreage for each unit.

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

(1) Multiplying the number of insured acres by your respective:

(i) Production guarantee (per acre) and your applicable projected price if you elected yield protection; or

(ii) Revenue protection guarantee (per acre) if you elected revenue protection;

(2) Totaling the results of section 10(b)(1)(i) or 10(b)(1)(ii), whichever is applicable;

(3) Multiplying the production to count by your:

(i) Projected price if you elected yield protection; or

(ii) Harvest price if you elected revenue protection;

(4) Totaling the results of section 10(b)(3)(i) or 10(b)(3)(ii), whichever is applicable;

(5) Subtracting the result of section 10(b)(4) from the result of section 10(b)(2); and

(6) Multiplying the result of section 10(b)(5) by your share.

For example:

You have 100 percent share in 50 acres of cotton in the unit with a production guarantee (per acre) of 525 pounds, the projected price is $.65, the harvest price is $.70, and your production to count is 25,000 pounds.

If you elected yield protection:

(1) 50 acres × 525 pound production guarantee × $.65 projected price = $17,062.50 value of the production guarantee.

(3) 25,000 pound production to count × $.65 projected price = $16,250.00 value of production to count.

(5) $17,062.50—$16,250.00 = $812.50.

(6) $812.50 × 1.000 share = $813.00 indemnity; or

If you elected revenue protection:

(1) 50 acres × (525 pound production guarantee × $.70 harvest price) = $18,375.00 revenue protection guarantee.

(3) 25,000 pound production to count × $.70 harvest price = $17,500.00 value of the production to count.

(5) $18,375.00—$17,500.00 = $875.00.

(6) $875.00 × 1.000 share = $875.00 indemnity.

* * * * *

K. Amend section 11(b) of § 457.104 by removing the phrase ''limited or''.

* * * * *

5. Amend § 457.113 as follows:

A. Revise the introductory text of § 457.113 to read as follows:

§ 457.113 Coarse grains crop insurance provisions.

The coarse grains crop insurance provisions for the 2009 and succeeding crop years are as follows:

* * * * *

B. Amend section 1 of § 457.113 by revising the definition of ''planted acreage'' and ''production guarantee (per acre)'' to read as follows:

1. Definitions.

* * * * *

Planted acreage. In addition to the definition contained in the Basic Provisions, coarse grains must initially be planted in rows (corn must be planted in rows far enough apart to permit mechanical cultivation if the specific farming practice you use requires mechanical cultivation to control weeds), unless otherwise provided by the Special Provisions, actuarial documents, or by written agreement.

Production guarantee (per acre). In lieu of the definition contained in the Basic Provisions, the number of bushels (tons for corn insured as silage) determined by multiplying the approved yield per acre by the coverage level percentage you elect.

* * * * *

C. Revise section 2 of § 457.113 to read as follows:

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

In addition to the requirements of section 3 of the Basic Provisions:

(a) You must elect to insure your corn, grain sorghum, or soybeans with either revenue protection or yield protection by the sales closing date;

(b) You must select the same percentage for both the projected price and the harvest price; and

(c) For corn, the projected price and harvest price for grain and silage must have the same percentage relationship to the maximum projected price and harvest price offered by us for grain and silage. For example, if you choose 100 percent of the maximum grain projected price and harvest price and you also insure corn on a silage basis, you must choose 100 percent of the maximum silage projected price and harvest price.

* * * * *

D. Revise section 3 of § 457.113 to read as follows:

3. Contract Changes.

In accordance with section 4 of the Basic Provisions, the contract change date is November 30 preceding the cancellation date.

* * * * *

E. Amend section 4 of § 457.113 as follows:

a. Amend the introductory text by removing the term ''(§ 457.8)';

b. Amend paragraph (a) by removing the date of ''January 15'' and adding ''January 31'' in its place; and

c. Amend paragraph (b) by removing the date of ''February 15'' and adding ''January 31'' in its place.

F. Amend section 5 of § 457.113 as follows:

a. Remove the phrases ''(Insured Crop)'' and ''(§ 457.8)'' in the introductory text of paragraph (a);

b. Remove the word ''paragraph'' and add the word ''section'' in its place in paragraph (a)(3)(i);

c. Remove the word ''subsection'' and add the word ''section'' in its place in both the introductory text of paragraph (b) and paragraph(b)(1);

d. Revise the introductory text of paragraph (b)(2);

e. Remove the phrase ''high-oil, high-protein,'' and add ''high-oil or high-protein (except as authorized in section 5(b)(2)),'' in its place in paragraph (b)(2)(i); and

f. Remove the word ''subsection'' and add the word ''section'' in its place in both the introductory text of paragraph (d) and paragraph (e).

The revised text reads as follows:

5. Insured Crop.

* * * * *

(b) * * *

(2) Yellow dent or white corn, including mixed yellow and white, waxy or high-lysine corn, high-oil corn blends containing mixtures of at least 90 percent high yielding yellow dent female plants with high-oil male pollinator plants, or commercial varieties of high-protein hybrids, and excluding:

* * * * *

G. Amend section 7 of § 457.113 as follows:

a. Remove the word ''under'' and add the word ''of'' in its place and remove the phrases ''(Insurance Period)'' and ''(§ 457.8)'' in the introductory text; and

b. Revise paragraph (b) to read as follows:

7. Insurance Period.

* * * * *

(b) For corn insured as silage:

(1) Connecticut, Delaware, Idaho, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New Mexico, New York, Oklahoma, Oregon, Pennsylvania, Rhode Island, Texas, Vermont, Washington, and West Virginia. October 20.

(2) All other states. September 30.

* * * * *

H. Amend section 8 of § 457.113 as follows:

a. Remove the phrases ''(Causes of Loss)'' and ''(§ 457.8)'' in the introductory text;

b. Remove the word ''or'' at the end of paragraph (g);

c. Revise paragraph (h); and

d. Add a new paragraph (i).

The revised and added text reads as follows:

8. Causes of Loss.

* * * * *

(h) Failure of the irrigation water supply due to a cause of loss specified in sections 8(a) through (g) that also occurs during the insurance period; or

(i) For revenue protection, a decline in the harvest price below the projected price.

* * * * *

I. Revise section 9 of § 457.113 to read as follows:

9. Replanting Payments.

(a) A replanting payment is allowed as follows:

(1) In lieu of provisions in section 13 of the Basic Provisions that limit the amount of a replant payment to the actual cost of replanting, the amount of any replanting

payment will be determined in accordance with these Crop Provisions;

(2) Except as specified in section 9(a)(1), you must comply with all requirements regarding replanting payments contained in section 13 of the Basic Provisions; and

(3) The insured crop must be damaged by an insurable cause of loss to the extent that the remaining stand will not produce at least 90 percent of the production guarantee for the acreage.

(b) The maximum amount of the replanting payment per acre will be the lesser of 20 percent of the production guarantee or the number of bushels (tons for corn insured as silage) for the applicable crop specified below, multiplied by your projected price, multiplied by your share:

(1) 8 bushels for corn grain;

(2) 1 ton for corn silage;

(3) 7 bushels for grain sorghum; and

(4) 3 bushels for soybeans.

(c) When the crop is replanted using a practice that is uninsurable for an original planting, the liability on the unit will be reduced by the amount of the replanting payment. The premium amount will not be reduced.

(d) If the acreage is replanted to an insured crop type that is different than the insured crop type originally planted on the acreage:

(1) The production guarantee, premium, and projected price and harvest price will be adjusted based on the replanted type;

(2) Replanting payments will be calculated using the projected price and production guarantee for the crop type that is replanted and insured; and

(3) A revised acreage report will be required to reflect the replanted type, as applicable.

J. Amend section 10 of § 457.113 as follows:

a. Revise paragraph (a);

b. Revise the introductory text of paragraph (b)(1);

c. Add the phrase ''Damage occurs'' at the beginning of the paragraph, remove the capital ''B'' in the word ''Before'' and add a lower case ''b'' in its place, and remove the phrase ''15 days'' and add the phrase ''72 hours'' in its place in paragraph (b)(1)(i);

d. Remove the word ''If'' at the beginning of the sentence, remove the lower case ''d'' in the word ''damage'' and add a capital ''D'' in its place, remove the phrase ''15 days'' and add the phrase ''72 hours'' in its place, and remove the period at the end and add ''; and'' in its place in paragraph (b)(1)(ii);

e. Revise paragraph (b)(2); and

f. Add a new paragraph (c).

The revised and added text reads as follows:

10. Duties in the Event of Damage or Loss.

(a) Representative samples are required in accordance with section 14 of the Basic Provisions.

* * * * *

(b) * * *

(1) In lieu of the requirement contained in section 14 of the Basic Provisions to provide notice within 72 hours of your initial discovery of damage (but not later than 72 hours after the end of the insurance period), if:

* * * * *

(2) If you have a unit that has more than one end of the insurance period (*i.e.*, both silage and grain in the same unit), for the purposes of section 14 of the Basic Provisions with respect to the deadline to submit a claim, the end of the insurance period means the latest end of the insurance period applicable to the unit.

(c) In lieu of any policy provision providing otherwise, if you intend to harvest any acreage in a manner other than as you reported it for coverage (*e.g.*, you reported planting it to harvest as grain but will harvest the acreage for silage, or you reported planting it to harvest as silage but will harvest the acreage for grain), you must notify us of your intentions before harvest begins. Failure to timely provide notice will result in production to count determined in accordance with section 11(c)(1)(i)(E).

K. Amend section 11 of § 457.113 as follows:

a. Revise paragraphs (a) and (b);

b. Remove the phrase ''(tons for corn silage) (see subsection 11(d))'' and add the phrase ''(tons for corn insured as silage)'' in its place in the introductory text in paragraph (c);

c. Remove the word ''or'' at the end of paragraph (c)(1)(i)(C);

d. Add the word ''or'' at the end of paragraph (c)(1)(i)(D);

e. Add a new paragraph (c)(1)(i)(E);

f. Remove the phrase ''subsection 11(e)'' and add the phrase ''section 11(d)'' in its place in paragraph (c)(1)(iii);

g. Remove the first sentence and add ''Potential production on insured acreage you intend to put to another use or abandon, if you and we agree on the appraised amount of production.'' in its place, remove the word ''if'' in the second sentence, and add the word ''when'' in its place in paragraph (c)(1)(iv);

h. Remove paragraph (d) and redesignate paragraphs (e) through (g) as paragraphs (d) through (f), respectively;

i. Remove the phrase ''or harvested'' in both places in the introductory text of redesignated paragraph (d) and remove the phrase ''subsection 11(f)'' and add the phrase ''section 11(e)'' in its place;

j. Remove the phrase ''paragraphs 11.(e)'' and add the phrase ''sections 11(d)'' in its place in redesignated paragraph (d)(4);

k. Remove the phrase ''or harvested'' in the introductory text of redesignated paragraph (e); and

l. Remove the phrase ''September 30 of the crop year'' and add the phrase ''the calendar date for the end of the insurance period as specified in section 7(b)'' in its place in redesignated paragraph (e)(2).

The revised and added text reads as follows:

11. Settlement of Claim.

(a) We will determine your loss on a unit basis. In the event you are unable to provide records of production that are acceptable to us for any:

(1) Optional unit, we will combine all optional units for which acceptable records of production were not provided; or

(2) Basic unit, we will allocate any commingled production to such units in proportion to our liability on the harvested acreage for each unit.

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

(1) Multiplying the number of insured acres of each insured crop or type, as applicable, by your respective:

(i) Production guarantee (per acre) and your applicable projected price if you elected yield protection; or

(ii) Revenue protection guarantee (per acre) if you elected revenue protection;

(2) Totaling the results of section 11(b)(1)(i) or 11(b)(1)(ii), whichever is applicable;

(3) Multiplying the production to count of each insured crop or type, as applicable, by your respective:

(i) Projected price if you elected yield protection; or

(ii) Harvest price if you elected revenue protection;

(4) Totaling the results of section 11(b)(3)(i) or 11(b)(3)(ii), whichever is applicable;

(5) Subtracting the result of section 11(b)(4) from the result of section 11(b)(2); and

(6) Multiplying the result of section 11(b)(5) by your share.

For example:

You have 100 percent share in 50 acres of corn in the unit with a production guarantee (per acre) of 115 bushels, the projected price is $2.25, the harvest price is $2.20, and your production to count is 5,000 bushels.

If you elected yield protection:

(1) 50 acres × 115 bushel production guarantee × $2.25 projected price = $12,937.50 value of the production guarantee.

(3) 5,000 bushel production to count × $2.25 projected price = $11,250.00 value of the production to count.

(5) $12,937.50 − $11,250.00 = $1,687.50.

(6) $1,687.50 × 1.000 share = $1,688.00 indemnity; or

If you elected revenue protection:

(1) 50 acres × (115 bushel production guarantee × $2.25 projected price) = $12,937.50 revenue protection guarantee.

(3) 5,000 bushel production to count × $2.20 harvest price = $11,000.00 value of the production to count.

(5) $12,937.50 − $11,000.00 = $1,937.50.

(6) $1,937.50 × 1.000 share = $1,938.00 indemnity.

(c) * * *

(1) * * *

(i) * * *

(E) For which you fail to give us notice before harvest begins if you report planting

the corn to harvest as grain but harvest it as silage or you report planting the corn to harvest as silage but harvest it as grain.

* * * * *

L. Amend section 12 of § 457.113 by removing the lower case ''i'' in the word ''if'', at the beginning of the last sentence, and adding a capital ''I'' in its place and removing the phrase ''limited or'.

6. Revise § 457.118 to read as follows:

§ 457.118 Malting barley price and quality endorsement.

The malting barley price and quality endorsement provisions for the 2009 and succeeding crop years are as follows:

FCIC policies: United States Department of Agriculture, Federal Crop Insurance Corporation

Reinsured policies: (Appropriate title for insurance provider).

Both FCIC and reinsured policies:

Small Grains Crop Insurance Malting Barley Price and Quality Endorsement

(This is a continuous endorsement. Refer to section 2 of the Basic Provisions.)

In return for your payment of premium for the coverage contained herein, this endorsement will be attached to and made part of the Basic Provisions and Small Grains Crop Provisions, subject to the terms and conditions described herein.

1. Definitions.

Additional value price. The value per bushel determined in accordance with section 3 of Option A or section 3 of Option B, as applicable.

Approved malting variety. A variety of barley specified in the Special Provisions.

Brewery. A facility where malt beverages are commercially produced for human consumption.

Contracted production. A quantity of barley the producer agrees to grow and deliver, and the buyer agrees to accept, under the terms of the malting barley contract.

Crop year. In addition to the definition in the Basic Provisions and only for APH purposes under the terms of this endorsement, the period within which the crop is actually grown and designated by the calendar year in which the insured crop is normally harvested.

Licensed grain grader. A person authorized by the U.S. Department of Agriculture to inspect and grade barley in accordance with the U.S. Standards for malt barley.

Malting barley contract. An agreement in writing:

(a) Between the producer and a brewery or a business enterprise that produces or sells malt or malt extract to a brewery, or a business enterprise owned by such brewery or business;

(b) That specifies the amount of contracted production, the purchase price or a method to determine such price; and

(c) That establishes the obligations of each party to the agreement.

Malting barley price agreement. An agreement that meets all conditions required for a malting barley contract except that it is executed with a business enterprise that is not described in the definition of a malting barley contract, but that normally contracts to purchase malting barley production and has facilities appropriate to handle and store malting barley production.

Malt extract. A substance made by adding warm water to ground malt, separating the liquid from the solid, and then condensing the liquid or evaporating it until only a powder remains.

Objective test. A determination made by a qualified person using standardized equipment that is widely used in the malting industry that follows a procedure approved by the:

(a) American Society of Brewing Chemists when determining percent germination;

(b) Federal Grain Inspection Service when determining quality factors other than percent germination; or

(c) Food and Drug Administration (FDA) when determining concentrations of mycotoxins or other substances or conditions identified by the FDA as being injurious to human or animal health.

Subjective test. A determination:

(a) Made by a person using olfactory, visual, touch or feel, masticatory, or other senses unless performed by a licensed grain grader; or

(b) That uses non-standardized equipment; or

(c) That does not follow a procedure approved by the American Society of Brewing Chemists, the Federal Grain Inspection Service, or the Food and Drug Administration.

2. This endorsement provides coverage for malting barley production and quality losses at a price per bushel greater than that offered under the Small Grains Crop Provisions.

3. You must have the Basic Provisions and the Small Grains Crop Insurance Provisions in force to elect to insure malting barley under this endorsement.

4. You must elect either Option A or Option B on or before the sales closing date:

(a) Failure to elect either Option A or Option B, or if you elect Option B but fail to have a malting barley contract in effect by the acreage reporting date, will result in no coverage under this endorsement for the applicable crop year;

(b) If you elect coverage under Option A, and subsequently enter into a malting barley contract, your coverage will continue under the terms of Option A; and

(c) Your election (Option A or B) will continue from year to year unless you cancel or change your election on or before the sales closing date.

5. All acreage in the county planted to approved malting varieties that is insurable under the Small Grains Crop Provisions for feed barley and your elected Option will be insured under this endorsement, except any acreage on which you produce seed under the terms of the seed contract.

6. In lieu of the definitions and provisions regarding units and unit division in the Basic Provisions and the Small Grains Crop Provisions, all approved malting barley acreage in the county that is insured under this endorsement will be considered as one unit regardless of whether such acreage is owned, rented for cash, or rented for a share of the crop. Your shares in the malting barley acreage insured under this endorsement must be designated separately on the acreage report. For example, if you have 100 percent share in 50 acres and 75 percent share in 10 acres you must list the 50 acres separately from the 10 acres on your acreage report and include the percent share for each.

7. You must select a percentage of the additional value price on or before the sales closing date. In the event that you choose a percentage of the additional value price, we will multiply that percentage by the additional value price specified in Options A or B, as applicable, to determine the additional value price that pertains to this endorsement.

8. The additional premium amount for this coverage will be determined by multiplying your malting barley production guarantee (per acre) by your additional value price, by the premium rate, by the acreage planted to approved malting barley varieties, by your share at the time coverage begins. The premium rate you pay will be adjusted by a factor contained in the actuarial table based on your history of fulfilling the production specified in malting barley contracts in prior years, as applicable.

9. In addition to the reporting requirements contained in section 6 of the Basic Provisions, you must provide all the information required by the Option you select.

10. In accordance with section 14 of the Basic Provisions:

(a) We will settle your claim within 30 days if:

(1) All insured production meets the quality criteria specified in section 14(a)(2) of this endorsement; or

(2) It grades U.S. No. 4 or worse in accordance with the grades and grade requirements for the subclasses six-rowed and two-rowed barley, or for the class barley in accordance with the Official United States Standards for Grain; and

(3) It is not accepted by a buyer for malting purposes;

(b) Whenever any production fails one or more of the quality criteria specified in section 14(a)(2) of this endorsement and grades U.S. No. 3 or better, we will not agree upon the amount of loss until the earlier of:

(1) The date you sell, feed, donate, or otherwise utilize such production for any purpose; or

(2) May 31 of the calendar year immediately following the calendar year in which the insured malting barley is normally harvested:

(i) If disposition of the insured crop does not occur by May 31, we may complete your claim in accordance with this endorsement provided you certify, in writing, that the production will not be sold;

(ii) If you do not provide such certification, we will complete your claim; however, no adjustment for quality deficiencies will be made and all remaining unsold insured production will be considered to have met the quality standards specified in this endorsement; and

(iii) If you sell any production you previously certified would not be sold, you must notify us and we will adjust your claim as necessary.

11. This endorsement for malting barley does not provide prevented planting coverage. Such coverage is only provided in accordance with the provisions of the Small Grains Crop Provisions for feed barley.

12. Production from all acreage insured under this endorsement and any production of feed barley varieties must not be commingled prior to our making all determinations under section 14. Failure to keep production separate as required herein will result in denial of your claim for indemnity.

13. In the event of loss or damage covered by this endorsement, we will settle your claim by:

(a) Multiplying the insured acreage by your malting barley production guarantee (per acre) determined in accordance with section 2 of Option A or B, as applicable;

(b) Multiplying the result in section 13(a) by your respective additional value price per bushel;

(c) Multiplying the number of bushels of production to count determined in accordance with section 14 by your additional value price per bushel (If more than one additional value price is applicable, the highest additional value price will be used until the number of bushels covered at the higher additional value price is reached and the remainder of the production will be multiplied by the lower additional value price. For example, if variety A is grown under a malting barley price agreement and 1000 bushels of variety A are insured using an additional value price of $0.68 per bushel but only 500 bushels of variety A are produced, the 500 bushels would be valued at $0.68 per bushel and all other production of other varieties will be valued at the lower additional value price unless such production is acceptable under the terms of the malting barley price agreement, in which case 500 bushels of the other varieties would also be valued at $0.68 per bushel);

(d) Subtracting the result of section 13(c) from the result in section 13(b); and

(e) Multiplying the result of section 13(d) by your share.

14. The amount of production to be counted against your malting barley production guarantee will be determined as follows:

(a) Production to be counted will include all:

(1) Appraised production determined in accordance with sections 11(c)(1)(i), (ii) and (iv) of the Small Grains Crop Provisions;

(2) Harvested production and unharvested production that meets, or would meet if properly handled, either the acceptable percentage or parts per million standard contained in any applicable malting barley contract or malting barley price agreement for protein, plump kernels, thin kernels, germination, blight damage, mold injury or damage, sprout injury, frost injury or damage, and mycotoxins or other substances or conditions identified by the Food and Drug Administration or other public health organizations of the United States as being injurious to human health, or the following quality standards, whichever is less stringent:

	Six-rowed malting barley	Two-rowed malting barley
Protein (dry basis)	14.0% maximum	13.5% maximum
Plump kernels	65.0% minimum	75.0% minimum
Thin kernels	10.0% maximum	10.0% maximum
Germination	95.0% minimum	95.0% minimum
Blight damaged	4.0% maximum	4.0% maximum
Injured by mold	5.0% maximum	5.0% maximum
Mold damaged	0.4% maximum	0.4% maximum
Injured by sprout	1.0% maximum	1.0% maximum
Injured by frost	5.0% maximum	5.0% maximum
Frost damaged	0.4% maximum	0.4% maximum
Mycotoxins	2.0 ppm maximum	2.0 ppm maximum

(3) Harvested production that does not meet the quality standards contained in section 14(a)(2), but is accepted by a buyer. If the price received is less than the total of the additional value price and the feed barley projected price announced by FCIC, the production to be counted may be reduced or the values used to settle the claim may be adjusted in accordance with sections 14(b), (c), and (d).

(b) For the quantity of production that qualifies under section 14(a)(3), the amount of production to count will be determined by:

(1) Subtracting the barley projected price from the sale price per bushel of the damaged production;

(2) Subtracting the weighted average cost per bushel for conditioning the production, if any, (not to exceed the discount you would have received had you sold the barley without conditioning, for example, if the price per bushel of the production without conditioning is $2.80 and the price for such production after conditioning is $2.90, the discount is $0.10 and the cost of conditioning can not exceed $0.10 per bushel) from the result of section 14(b)(1);

(3) Dividing the result of section 14(b)(1) or (2), as applicable, by 100.0 percent of the additional value price (The weighted average additional value price will be used in the event more than one additional value price is applicable, for example, if 1000 bushels of variety A are insured with an additional value price of $0.68 and 500 bushels are insured with an additional value price of $0.40, the weighted average additional value price would be $0.59); and

(4) Multiplying the result of section 14(b)(3) (if less than 0.0 or more than 1.000, no adjustment will be made) by the number of bushels of damaged production.

(c) No reduction in the amount of production to count will be allowed for:

(1) Moisture content;

(2) Damage due to uninsured causes;

(3) Costs or reduced value associated with drying, handling, processing, or quality factors other than those contained in section 14(a)(2); or

(4) Any other costs associated with normal handling and marketing of malting barley.

(d) All grade and quality determinations must be based on the results of objective tests. No indemnity will be paid for any loss established by subjective tests. We may obtain one or more samples of the insured crop and have tests performed at an official grain inspection location established under the U.S. Grain Standards Act or laboratory of our choice to verify the results of any test. In the event of a conflict in the test results, our results will determine the amount of production to be counted.

Option A—(For Malting Barley Production, Regardless of Whether Grown Under a Malting Barley Contract or Price Agreement)

1. To be eligible for coverage under this option:

(a) You must provide us with acceptable records of your sales of malting barley and the number of acres planted to malting varieties for at least the four crop years in your APH database prior to the crop year immediately preceding the current crop year (for example, to determine your production guarantee for the 2009 crop year, records must be provided for the 2004 through the 2007 crop years, if malting barley varieties were planted in each of those crop years);

(1) Failure to provide acceptable records or reports as required herein will make you ineligible for coverage under this endorsement; and

(2) You must provide these records to us no later than the production reporting date specified in the Basic Provisions; and

(b) If you produce malting barley under a malting barley contract or malting barley price agreement, you must provide us with a copy of your current crop year contract or agreement on or before the acreage reporting date if you want to base your additional value price election on such contract or price agreement. All terms and conditions of the contract or agreement, including the contract price or future contract price, must be

specified in the contract or agreement and be effective on or before the acreage reporting date.

2. Your malting barley production guarantee (per acre) will be the lesser of:

(a) The production guarantee (per acre) for feed barley for acreage planted to approved malting varieties calculated in accordance with the Basic Provisions; or

(b) A yield per acre calculated by:

(1) Dividing the number of bushels of malting barley sold each year by the number of acres planted to approved malting barley varieties in each respective year;

(2) Adding the results of section 2(b)(1);

(3) Dividing the result of section 2(b)(2) by the number of years approved malting barley varieties were planted; and

(4) Multiplying the result of section 2(b)(3) by your coverage level.

3. The additional value price per bushel will be determined as follows:

(a) For production grown under a malting barley contract or a malting barley price agreement, the additional value price per bushel will be the following amount, as applicable:

(1) The sale price per bushel established in the malting barley contract or malting barley price agreement (not including discounts or incentives that may apply) minus the projected price for barley;

(2) The amount per bushel for malting barley (not including discounts or incentives that may apply) above a feed barley price that is determined at a later date, provided the method of determining the price is specified in the malting barley contract or malting barley price agreement; or

(3) If your malting barley contract or malting barley price agreement has a variable price option, you must select a price or a method of determining a price that will be treated as the sale price and your additional value price per bushel will be calculated under section 3(a)(1) or (2), as applicable.

(b) The additional value price per bushel designated in the actuarial documents will be used if:

(1) Production is not grown under a malting barley contract or malting barley price agreement; or

(2) The malting barley contract or malting barley price agreement is not provided to us by the acreage reporting date.

(c) Under no circumstances will the additional value price exceed $1.25 per bushel.

(d) The number of bushels eligible for coverage using an additional value price determined in section 3(a) will be the lesser of:

(1) The amount determined by multiplying the number of acres planted to an approved malting barley variety by your malting barley production guarantee (per acre) determined in accordance with section 2; or

(2) The amount determined by multiplying the number of bushels specified in the malting barley contract or malting barley price agreement by your coverage level.

(e) Under no circumstances will the number of bushels determined in section 3(d) that will receive an additional value price determined in accordance with section 3(a) exceed the amount determined by multiplying 125.0 percent of the greatest number of acres that you certified for malting barley APH purposes in any crop year contained in your malting barley APH database by your malting barley production guarantee (per acre) determined in accordance with section 2. Any bushels in excess of this amount will be insured using the additional value price designated in the actuarial documents.

4. Loss Example.

In accordance with section 13, your loss will be calculated as follows:

(a) Assume the following:

(1) A producer has:

(i) 400 acres of barley insured under the Small Grains Crop Provisions, of which 200 acres are planted to feed barley and 200 acres are planted to an approved malting barley variety;

(ii) 100 percent share;

(iii) A feed barley approved yield of 55 bushels per acre;

(iv) A malting barley approved yield, based on malting barley sales records and the number of acres planted to approved malting barley varieties, of 52 bushels per acre;

(v) Selected the 75 percent coverage level; and

(vi) A malting barley price agreement for the sale of 5,720 bushels at $2.72 per bushel;

(2) The projected price is $1.92 per bushel;

(3) The additional value price per bushel from the actuarial documents is $0.40;

(4) In accordance with section 3(a)(1), the additional value price per bushel for production grown under a malting barley price agreement is $0.80 ($2.72 malting barley price agreement price minus $1.92 projected price); and

(5) The total production from the 200 acres of malting barley is 7,250 bushels, all of which fails to meet the quality standards specified in section 14(a) and in the malting barley price agreement:

(i) 4,750 bushels are sold for $2.31 per bushel; and

(ii) After conditioning at a cost of $0.05 per bushel, an additional 2,500 bushels are sold for $2.20 per bushel;

(b) The amount of insurance protection is determined as follows:

(1) 4,290 bushels eligible for coverage using the additional value price from the malting barley price agreement [the lesser of 4,290 bushels (5,720 bushels grown under a malting barley price agreement × .75 coverage level) or 7,800 bushels (200 acres planted to approved malting barley varieties × 39.0 bushel per acre (52 bushels per acre malting barley approved yield x .75 coverage level) malting barley production guarantee)] × $0.80 additional value price = $3,432.00 amount of insurance protection for the bushels grown under the malting barley price agreement;

(2) 3,510 bushels eligible for coverage using the additional value price from the actuarial documents (7,800 bushel total malting barley production guarantee − 4,290 bushels covered using the additional value price from the malting barley price agreement) × $0.40 additional value price = $1,404.00 amount of insurance protection for the bushels not grown under a malting barley price agreement; and

(3) $3,432.00 + $1,404.00 = $4,836.00 total amount of insurance protection for the unit;

(c) In accordance with section 14, the total amount of production to count is determined as follows:

(1) Damaged production that is not reconditioned:

(i) $2.31 price per bushel − $1.92 projected price = $0.39;

(ii) $0.39 ÷ $0.62 weighted average additional value price ($4,836.00 total insurance protection ÷ 7,800 bushel production guarantee = $0.62 weighted average additional value price) = 0.63; and

(iii) 0.63 × 4,750 bushels of damaged production sold at $2.31 = 2,993 bushels of production to count;

(2) Damaged production that is reconditioned:

(i) $2.20 price per bushel − $1.92 projected price = $0.28;

(ii) $0.28 − $0.05 reconditioning cost = $0.23;

(iii) $0.23 ÷ $0.62 weighted average additional value price = $0.37; and

(iv) 0.37 × 2,500 bushels of damaged production sold at $2.20 = 925 bushels of production to count; and

(3) Total production to count is 3,918 bushels (2,993 + 925);

(d) The value of production to count is $3,134.00 (3,918 bushels × $0.80 additional value price (all production to count is valued at the higher additional value price since the amount of production to count did not exceed the number of bushels covered at the higher additional value price)); and

(e) The indemnity amount is $1,702.00 ($4,836.00 total amount of insurance protection for the unit − $3,134.00 value of production to count).

Option B—(For Production Grown Under Malting Barley Contracts Only)

1. To be eligible for coverage under this option:

(a) On or before the sales closing date, you must provide acceptable records of acreage, sales of malting barley, and copies of malting barley contracts for at least the four crop years in your APH database prior to the crop year immediately preceding the current crop year. For example, for the 2009 crop year, production records and malting barley contracts must be provided for the 2004 through the 2007 crop years, if malting barley varieties were planted in each of those crop years:

(1) These records and malting barley contracts will be used to determine your average malting barley contract fulfillment rate and will impact eligibility for coverage under this endorsement or the premium you will pay.

(2) If a malting barley contract was not in effect in any one of the years for which records are required, a default fulfillment rate of 75.0 percent will be assigned for the missing year. The average malting barley contract fulfillment rate will be determined by:

(i) Dividing the number of malting barley bushels produced each year by the number of bushels under contract for the respective year;

(ii) Summing the results of section 1(a)(2)(i); and

(iii) Dividing the results of section 1(a)(2)(ii) by the number of years in the database.

(b) On or before the acreage reporting date, you must provide us a copy of your malting barley contract for the current crop year:

(1) All terms and conditions of the contract, including the contract price or method to determine the price, must be specified in the contract and be effective on or before the acreage reporting date;

(2) If you fail to timely provide the contract, or any terms are omitted, we may elect to determine the relevant information necessary for insurance under Option B, or deny liability; and

(3) Only contracted production or acreage is covered by Option B.

2. Your malting barley production guarantee (per acre) will be the lesser of:

(a) The production guarantee (per acre) for feed barley for acreage planted to approved malting barley varieties calculated in accordance with the Basic Provisions; or

(b) A yield per acre calculated by:

(1) Dividing the number of bushels of contracted production by the number of acres planted to approved malting varieties in the current crop year; and

(2) Multiplying the result of section 2(b)(1) by the coverage level percentage you elected under the Small Grains Crop Provisions.

3. The additional value price per bushel will be the following amount, as applicable:

(a) The sale price per bushel established in the malting barley contract (without regard to discounts or incentives that may apply) minus the projected price for feed barley;

(b) The amount per bushel for malting barley (not including discounts or incentives that may apply) above a feed barley price that is determined at a later date, provided the method of determining the price is specified in the malting barley contract; or

(c) If your malting barley contract has a variable premium price option, you must select a price or a method of determining a price that will be treated as the sale price and your additional value price per bushel will be calculated under section 3(a) or (b), as applicable; and

(d) Under no circumstances will the additional value price per bushel exceed $1.25 per bushel.

4. Loss Example.

In accordance with section 13, your loss will be calculated as follows:

(a) Assume the following:

(1) A producer has:

(i) 400 acres of barley insured under the Small Grains Crop Provisions, of which 200 acres are planted to feed barley and 200 acres are planted to an approved malting barley variety;

(ii) 100 percent share;

(iii) A feed barley approved yield of 55 bushels per acre;

(iv) A malting barley approved yield, based on contracted production and the number of acres planted to approved malting barley varieties of 52 bushels per acre;

(v) Selected the 75 percent coverage level; and

(vi) A malting barley contract for the sale of 10,000 bushels of malting barley at $2.60 per bushel;

(2) The projected price is $1.92 per bushel;

(3) In accordance with section 3, the additional value price per bushel for production grown under the malting barley contract is $0.68 ($2.60 malting barley contract price minus $1.92 projected price); and

(4) The total production from the 200 acres of malting barley is 7,250 bushels, all of which fails to meet the quality standards specified in section 14(a) and in the malting barley contract:

(i) 4,750 bushels are sold for $2.31 per bushel; and

(ii) After conditioning at a cost of $0.05 per bushel, an additional 2,500 bushels are sold for $2.20 per bushel;

(b) In accordance with section 2, the amount of insurance protection is determined as follows:

(1) The lesser of 41.3 bushels per acre production guarantee for feed barley or 37.5 bushels per acre (10,000 bushels contracted ÷ 200 acres = 50.0 bushels per acre and 50.0 × 75 percent coverage level = 37.5);

(2) 37.5 bushels per acre × 200 acres = 7,500 bushels total malting barley production guarantee; and

(3) 7,500 bushels × $0.68 additional value price = $5,100.00 total amount of insurance for the unit;

(c) In accordance with section 14, the total amount of production to count is determined as follows:

(1) Damaged production that is not reconditioned:

(i) $2.31 price per bushel − $1.92 projected price = $0.39;

(ii) $0.39 ÷ $0.68 additional value price = 0.57; and

(iii) 0.57 × 4,750 bushels of damaged production sold at $2.31 = 2,708 bushels of production to count;

(2) Damaged production that is reconditioned:

(i) $2.20 price per bushel − $1.92 projected price = $0.28;

(ii) $0.28 − $0.05 reconditioning cost = $0.23;

(iii) $0.23 ÷ $0.68 additional value price = 0.34; and

(iv) 0.34 × 2,500 bushels of damaged production sold at $2.20 = 850 bushels of production to count; and

(3) Total production to count is 3,558 bushels (2,708 + 850);

(d) The value of production to count is $2,419.00 (3,558 bushels × $0.68 additional value price); and

(e) The indemnity amount is $2,681.00 ($5,100.00 total amount of insurance protection for the unit − $2,419.00 value of production to count).

* * * * *

7. Amend § 457.141 as follows:

A. Revise the introductory text of § 457.141 to read as follows:

§ 457.141 Rice crop insurance provisions.

The rice crop insurance provisions for the 2009 and succeeding crop years are as follows:

* * * * *

B. Revise section 3 of § 457.141 to read as follows:

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

(a) You must elect to insure your rice with either revenue protection or yield protection by the sales closing date.

(b) In addition to the requirements of section 3 of the Basic Provisions:

(1) You must select the same percentage for both the projected price and the harvest price; and

(2) The projected price and harvest price for each type must have the same percentage relationship to the maximum projected price and harvest price. For example, if you choose 100 percent of the maximum projected price and harvest price for one type, you must also choose 100 percent of the maximum projected price and harvest price for all other types.

* * * * *

C. Amend section 4 of § 457.141 by removing the phrases ''(Contract Changes)'' and ''(§ 457.8)'';

D. Amend section 5 of § 457.141 by removing the phrases ''(Life of Policy, Cancellation and Termination)'' and ''(§ 457.8)'';

E. Amend section 6 of § 457.141 by removing the phrases ''(Insured Crop)'' and ''(§ 457.8)'' and adding the phrase ''or by written agreement'' at the end of the introductory text;

F. Amend section 7 of § 457.141 by removing the phrases ''(Insurable Acreage)'' and ''(§ 457.8)'' in the introductory text;

G. Amend section 8 of § 457.141 by removing the phrases ''(Insurance Period)'' and ''(§ 457.8)'';

H. Amend section 9 of § 457.141 as follows:

a. Remove the phrases ''(Causes of Loss)'' and ''(§ 457.8)'' in the introductory text of paragraph (a);

b. Remove the word ''or'' at the end of paragraph (a)(7); c. Remove the period at the end of paragraph (a)(8) and add ''; or'' in its place; and d. Add a new paragraph (a)(9) to read as follows:

9. Causes of Loss.

* * * * *

(a) * * *

(9) For revenue protection, a decline in the harvest price below the projected price.

* * * * *

I. Revise section 10 of § 457.141 to read as follows:

10. Replanting Payment.

(a) A replanting payment is allowed as follows:

(1) In lieu of provisions in section 13 of the Basic Provisions that limit the amount of a replant payment to the actual cost of replanting, the amount of any replanting payment will be determined in accordance with these Crop Provisions;

(2) Except as specified in section 10(a)(1), you must comply with all requirements regarding replanting payments contained in section 13 of the Basic Provisions;

(3) The insured crop must be damaged by an insurable cause of loss to the extent that

the remaining stand will not produce at least 90 percent of the production guarantee for the acreage; and

(4) The replanted crop must be seeded at a rate that is normal for initially planted rice (if new seed is planted at a reduced seeding rate into a partially damaged stand of rice, the acreage will not be eligible for a replanting payment).

(b) The maximum amount of the replanting payment per acre will be the lesser of 20 percent of the production guarantee or 400 pounds, multiplied by your projected price, multiplied by your share.

(c) When the crop is replanted using a practice that is uninsurable for an original planting, the liability on the unit will be reduced by the amount of the replanting payment. The premium amount will not be reduced.

J. Revise section 11 of § 457.141 to read as follows:

11. Duties in the Event of Damage or Loss.

Representative samples are required in accordance with section 14 of the Basic Provisions.

K. Revise sections 12(a) and (b) of § 457.141 to read as follows:

12. Settlement of Claim

(a) We will determine your loss on a unit basis. In the event you are unable to provide records of production that are acceptable to us for any:

(1) Optional unit, we will combine all optional units for which acceptable records of production were not provided; or

(2) Basic unit, we will allocate any commingled production to such units in proportion to our liability on the harvested acreage for each unit.

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

(1) Multiplying the number of insured acres by your respective:

(i) Production guarantee (per acre) and your applicable projected price if you elected yield protection; or

(ii) Revenue protection guarantee (per acre) if you elected revenue protection;

(2) Totaling the results of section 12(b)(1)(i) or 12(b)(1)(ii), whichever is applicable;

(3) Multiplying the production to count by your:

(i) Projected price if you elected yield protection; or

(ii) Harvest price if you elected revenue protection;

(4) Totaling the results of section 12(b)(3)(i) or 12(b)(3)(ii), whichever is applicable;

(5) Subtracting the result of section 12(b)(4) from the result of section 12(b)(2); and

(6) Multiplying the result of section 12(b)(5) by your share.

For example:

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

If you elected yield protection:

(1) 50 acres × 3,750 pound production guarantee × $.0750 projected price = $14,062.50 value of the production guarantee

(3) 150,000 pound production to count × $.0750 projected price = $11,250.00 value of the production to count

(5) $14,062.50 − $11,250.00 = $2,812.50

(6) $2,812.50 × 1.000 share = $2,813.00 indemnity; or

If you elected revenue protection:

(1) 50 acres × (3,750 pound production guarantee × $.0750 projected price) = $14,062.50 revenue protection guarantee

(3) 150,000 pound production to count × $.0700 harvest price = $10,500.00 value of the production to count

(5) $14,062.50 − $10,500.00 = $3,562.50

(6) $3,562.50 × 1.000 share = $3,563.00 indemnity.

* * * * *

L. Amend section 13 of § 457.141 by removing the phrase ''limited or''.

8. Amend § 457.161 as follows:

A. Revise the introductory text of § 457.161 to read as follows:

§ 457.161 Canola and rapeseed crop insurance provisions.

The canola and rapeseed crop insurance provisions for the 2009 and succeeding crop years are as follows:

* * * * *

B. Revise section 3 of § 457.161 to read as follows:

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

(a) You must elect to insure your canola and rapeseed with either revenue protection or yield protection by the sales closing date.

(b) In addition to the requirements of section 3 of the Basic Provisions:

(1) You must select the same percentage for both the projected price and the harvest price; and

(2) The percentage of the projected price and harvest price you choose for each type must have the same percentage relationship to the maximum price offered by us for each type. For example, if you choose 100 percent of the maximum projected price and harvest price for a specific type, you must also choose 100 percent of the maximum projected price and harvest price for all other types.

* * * * *

C. Revise section 6 of § 457.161 to read as follows:

6. Insured Crop.

(a) In accordance with section 8 of the Basic Provisions, the crop insured will be all the canola and rapeseed in the county for which a premium rate is provided by the actuarial table:

(1) In which you have a share;

(2) That are planted for harvest as seed; and

(3) That are not, unless allowed by Special Provisions or by written agreement:

(i) Interplanted with another crop; or

(ii) Planted into an established grass or legume.

(b) Whenever the Special Provisions designate both fall and spring final planting dates, any fall canola or fall rapeseed that is damaged before the spring final planting date, to the extent that growers in the area would normally not further care for the crop:

(1) Must be replanted to a fall type of the insured crop unless we agree that replanting is not practical; or

(2) Must be replanted to a spring type of the insured crop, if it is practical to replant to a spring type and is not practical to replant to the fall type, to keep your insurance based on the fall type in force; and

(3) That is replanted to a spring type of the same crop when it was practical to replant the fall type:

(i) Will be insured as the spring type;

(ii) Will use the production guarantee, premium, projected price, and harvest price applicable to the spring type; and

(iii) Will be considered to be initially planted to the spring type.

* * * * *

D. Amend section 9 of § 457.161 as follows:

a. Remove the word ''or'' at the end of paragraph (g);

b. Revise paragraph (h); and

c. Add a new paragraph (i).

The revised and added text reads as follows:

9. Causes of Loss.

* * * * *

(h) Failure of the irrigation water supply due to a cause of loss specified in sections 9(a) through (g) that also occurs during the insurance period; or

(i) For revenue protection, a decline in the harvest price below the projected price.

E. Revise section 10 of § 457.161 to read as follows:

10. Replanting Payment.

(a) A replanting payment is allowed as follows:

(1) In lieu of provisions in section 13 of the Basic Provisions that limit the amount of a replant payment to the actual cost of replanting, the amount of any replanting payment will be determined in accordance with these Crop Provisions;

(2) Except as specified in section 10(a)(1), you must comply with all requirements regarding replanting payments contained in section 13 of the Basic Provisions;

(3) The insured crop must be damaged by an insurable cause of loss to the extent that the remaining stand will not produce at least 90 percent of the production guarantee for the acreage; and

(4) The replanted crop must be planted at a rate sufficient to achieve a total (undamaged and new seeding) plant population that will produce at least the yield used to determine your production guarantee.

(b) The maximum amount of the replanting payment per acre will be the lesser of 20 percent of the production guarantee or 175 pounds, multiplied by your projected price, multiplied by your share.

(c) When the crop is replanted using a practice that is uninsurable for an original planting, the liability on the unit will be reduced by the amount of the replanting payment. The premium amount will not be reduced.

(d) If the acreage is replanted to a crop type that is different than the insured crop type originally planted on the acreage:

(1) The production guarantee, premium, and projected price and harvest price will be adjusted based on the replanted type;

(2) Replanting payments will be calculated using your projected price and production guarantee for the crop type that is replanted and insured; and

(3) A revised acreage report will be required to reflect the replanted type, as applicable.

F. Revise section 11 of § 457.161 to read as follows:

11. Duties in the Event of Damage or Loss.

Representative samples are required in accordance with section 14 of the Basic Provisions.

G. Amend section 12 of § 457.161 as follows:

a. Revise paragraphs (a) and (b);

b. Revise paragraph (d)(4); and

c. Remove all of paragraph (e) except for the first sentence.

The revised text reads as follows:

12. Settlement of Claim.

(a) We will determine your loss on a unit basis. In the event you are unable to provide records of production that are acceptable to us for any:

(1) Optional unit, we will combine all optional units for which acceptable records of production were not provided; or

(2) Basic unit, we will allocate any commingled production to such units in proportion to our liability on the harvested acreage for each unit.

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

(1) Multiplying the number of insured acres of each type, as applicable, by your respective:

(i) Production guarantee (per acre) and your applicable projected price if you elected yield protection; or

(ii) Revenue protection guarantee (per acre) if you elected revenue protection;

(2) Totaling the results of section 12(b)(1)(i) or 12(b)(1)(ii), whichever is applicable;

(3) Multiplying the production to count of each type, as applicable, by your respective:

(i) Projected price if you elected yield protection; or

(ii) Harvest price if you elected revenue protection;

(4) Totaling the results of section 12(b)(3)(i) or 12(b)(3)(ii), whichever is applicable;

(5) Subtracting the result of section 12(b)(4) from the result of section 12(b)(2); and

(6) Multiplying the result of section 12(b)(5) by your share.

For example:

You have 100 percent share in 50 acres of canola in the unit with a production guarantee (per acre) of 650 pounds, the projected price is $.1220, the harvest price is $.1110, and your production to count is 31,000 pounds.

If you elected yield protection:

(1) 50 acres × 650 pound production guarantee × $.1220 projected price = $3,965.00 value of the production guarantee

(3) 31,000 pound production to count × $.1220 projected price = $3,782.00 value of the production to count

(5) $3,965.00 − $3,782.00 = $183.00

(6) $183.00 × 1.000 share = $183.00 indemnity; or

If you elected revenue protection:

(1) 50 acres × (650 pound production guarantee × $.1220 projected price) = $3,965.00 revenue protection guarantee

(3) 31,000 pound production to count × $.1110 harvest price = $3,441.00 value of the production to count

(5) $3,965.00 − $3,441.00 = $524.00

(6) $524.00 × 1.000 share = $524.00 indemnity.

* * * * *

(d) * * *

(4) Canola production that is eligible for quality adjustment, as specified in sections 12(d)(2) and (3), will be reduced in accordance with the quality adjustment factors contained in the Special Provisions.

* * * * *

H. Amend section 14 of § 457.161 by removing the phrase ''limited or''.

Signed in Washington, DC, on June 28, 2006.

James Callan,

Acting Manager, Federal Crop Insurance Corporation.

[FR Doc. 06–5962 Filed 7–13–06; 8:45 am]

BILLING CODE 3410–08–C