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shall be designated by the calendar year in which the apples are normally harvested.

i. *Freeze* means the condition that exists when air temperatures over a widespread area remain at or below 32 degrees (Fahrenheit).

j. *Frost* means the condition that exists when the air temperature around the plant falls to 32 degrees (Fahrenheit) or below.

k. *Fruit-set failure* means failure of the apple trees to develop blossoms or set fruit due only to adverse weather conditions, but shall not include poor pollination resulting from inadequate pollenizers in the orchard or failure to set fruit due to spray damage or other manageable causes.

l. *Harvest* means the picking of marketable apples from the trees or from the ground.

m. *Insurable acreage* means the land classified as insurable by us and shown as such by the actuarial table.

n. *Insured* means the person who submitted the application accepted by us.

o. *Loose field box* means a standard container containing: (1) 35 pounds of apples; or (2) a quantity designated by the actuarial table.

p. *Loss ratio* means the ratio of indemnity to premium.

q. *Marketable* means apples which grade U.S. No. 1, 2, or Cider in accordance with the United States Standards for Apples for Processing.

r. *Person* means an individual, partnership, association, corporation, estate, trust, or other legal entity, and wherever applicable, a State, a political subdivision of a State, or any agency thereof.

s. *Service office* means the office servicing your contract as shown on the application for insurance or such other approved office as may be selected by you or designated by us.

t. *Tenant* means a person who rents land from another person for a share of the apples or a share of the proceeds therefrom.

u. *Unit* means all insurable acreage of apples in the county located on contiguous land, on the date insurance attaches for the crop year:

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

(2) Which is owned by one entity and operated by another entity on a share basis.

Land rented for cash, a fixed commodity payment, or any consideration other than a share in the apples on such land will be considered as owned by the lessee. Land which would otherwise be one unit may be divided according to applicable guidelines on file in your service office. Units will be determined when the acreage is reported. Errors in reporting units may be corrected by us to conform to applicable guidelines when adjusting a loss. We may consider any acreage and share thereof reported by or for your spouse or child or any member of your household to

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be your bona fide share or the bona fide share of any other person having an interest therein.

18. Descriptive Headings

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

19. Determinations

All determinations required by the policy will be made by us. If you disagree with our determinations, you may obtain reconsideration of or appeal those determinations in accordance with Appeal Regulations.

20. Notices

All notices required to be given by you must be in writing and received by your service office within the designated time unless otherwise provided by the notice requirement. Notices required to be given immediately may be by telephone or in person and confirmed in writing. Time of the notice will be determined by the time of our receipt of the written notice.

21. Notwithstanding the terms of the crop insurance policy and any contract for crop insurance under the provisions of this part, coverage under the terms of such crop insurance policy will be effective subject to the availability of appropriations.

[50 FR 43655, Oct. 29, 1985, as amended at 51 FR 29206, 29207, Aug. 15, 1986; 51 FR 45296, Dec. 18, 1986; 52 FR 3214, Feb. 3, 1987; 55 FR 35555, Aug. 31, 1990; 55 FR 35888, Sept. 4, 1990]

§ 405.8 Apple fresh fruit option.

(a) Notwithstanding the provisions of § 405.7(d), section 9.e. of this part, an insured producer may, upon submission and approval of a Fresh Fruit Option Amendment (Amendment) elect to insure any insurable acreage or any designated portion thereof, under the provisions of the Amendment. Only apple acreage which is managed with the intent of producing fresh-market apples will be insurable under the Amendment. If management practices are carried out for the production of both fresh and processing apples on insurable acreage, and the election is made to: (1) Insure fresh market apples under the Amendment and; (2) insure those insurers intended for processing under the Apple policy; the election to insure on both a fresh and processing basis must be made when the Amendment is

submitted. The Amendment is continuous until cancelled and may only be cancelled prior to the cancellation date.

(b) For those insureds who elect to insure apples under the Amendment, all provisions of the Apple crop insurance policy will apply except those provisions in conflict with the Amendment.

(c) The Option reads as follows:

DEPARTMENT OF AGRICULTURE
FEDERAL CROP INSURANCE CORPORATION
Apple Fresh Fruit Option

This is a continuous amendment (see section 15 of the basic policy).

Insured's Name _____
Contract No. _____
Address _____
Crop Year _____
Identification No. _____
SSN _____
Tax _____

It is hereby agreed to amend the basic Federal Crop Insurance Apple Policy under the following terms and conditions:

1. This Option must be submitted to us on or before the final date for accepting applications for the initial crop year in which you wish to insure your apples under this Option.
2. You must have an apple policy in force.
3. You must insure all the acreage of apples in the county in which you have a share regardless of the intended use (fresh-market or processing).
4. In addition to section 8 of the apple policy, inspection and grading of the fruit must be done by us prior to harvest or no quality adjustment will be made.
5. Separate line entries according to intended use (fresh-market or processing) must be included on the acreage report required under section 3 of the apple policy.
6. Your apples intended for processing will be insured under the quality provisions of A only (See below).
7. Your apples intended for fresh-market will be insured under the quality provisions of either A or B, whichever you select.
8. If you select A only, A will apply to all of your apples intended for processing and fresh-market.
9. If you select B, those provisions will apply to all of your apples intended for fresh-market and the provisions of A will apply to all of your apples intended for processing.
- 10.a. You must select either A or B by marking the appropriate space below.

A—

In addition to section 9.e. and in lieu of 17.q. of the Apple Policy, your production to

count for any acreage designated for processing or fresh-market will be adjusted when your apples are damaged by hail to the extent that such apples will not grade U.S. No. 1 (processing) (7 CFR 51.430 *et seq.*). The adjustment factor (not to exceed 1) will be the ratio of the average market price (received by you or determined by us, whichever is larger) for your damaged production to the average market price for U.S. No. 1 (processing) apples. There will be no adjustment for quality if the apples do not grade U.S. No. 1 because of size, color, or russetting.

B—

In lieu of sections 9.e.(1), 9.e.(2), 17.1, and 17.q of the Apple Policy, the total production to be counted for a unit must include all harvested and appraised production. Harvested apple production which, due to hail damage, does not grade 80 percent U.S. Fancy or better, in accordance with applicable USDA Standards (7 CFR 51.300 *et seq.*), will be adjusted as follows:

- (1) Production with 21 through 40 percent not grading U.S. Fancy or better due to hail damage will be reduced 2 percent for each percent in excess of 20 percent. The difference between the reduced production and the total production will be considered cull production.
- (2) Production with 41 through 50 percent not grading U.S. Fancy or better due to hail damage will be reduced 40 percent plus an additional 3 percent for each percent in excess of 40 percent. The difference between the reduced production and the total production will be considered cull production.
- (3) Production with 51 through 64 percent not grading U.S. Fancy or better due to hail damage will be reduced 70 percent plus an additional 2 percent for each percent in excess of 50 percent. The difference between the reduced production and the total production will be considered cull production.
- (4) Production with 65 percent or more not grading U.S. Fancy or better due to hail damage will be considered 100 percent cull production.
 - b. Apples which are knocked to the ground by wind or frozen to the extent that they can be harvested but not packed or marketed as fresh apples will be considered 100 percent cull production.
 - c. Fifteen (15) percent of all cull production will be counted as production.
 - d. No reduction in grade will be applied to any apple grading less than U.S. Fancy due solely to shape, russetting, or color.
 - e. Appraised production to be counted must include:
 - (1) Potential production lost due to uninsured causes and failure to follow recognized good apple management practices; and
 - (2) Not less than the guarantee for any acreage which is abandoned, damaged solely by an uninsured cause, or destroyed without our consent.

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f. Any appraisal we have made on insured acreage will be considered production to count unless such appraised production is:

- (1) Harvested;
- (2) Further damaged by an insured cause and reappraised by us; or
- (3) In whole or part knocked to the ground by wind or hail or frozen on the tree to the extent that harvest is not practical.

11. Your premium rate for Apples under either A or B, as elected by you, will be established by the actuarial table.

12. All provisions of the apple policy not in conflict with this option are applicable.

13. All determinations under this option will be made by us.

14. This Option may be canceled by either you or us for any succeeding crop year by giving written notice on or before the cancellation date provided by the policy, preceding such crop year.

Insured's Signature _____

Date _____

Corporation representative's signature and

Code Number _____

Date _____

[50 FR 43655, Oct. 29, 1985, as amended at 53 FR 46846, Nov. 21, 1988]

§ 405.9 Apple sunburn option.

DEPARTMENT OF AGRICULTURE

FEDERAL CROP INSURANCE CORPORATION

Apple Sunburn Option

This is not a continuous option. Applications for this option must be made prior to the sale closing date if you want this optional coverage. Upon our approval this option is applicable *only* for the 19__ crop year.

Insured's name _____

Contract No. _____

Address _____

Crop Year _____

Identification No. _____

SSN _____

Tax _____

It is hereby agreed to amend the Federal Crop Insurance Apple Policy in accordance with the following terms and conditions:

1. This option must be submitted to us on or before the final date for accepting applications for each crop year in which you wish to insure apples under this option.

2. You must have an apple policy and the Apple Fresh Fruit Option B in force.

3. You must insure all the acreage of apples in the county to which the Apple Fresh Fruit Option B applies and in which you have a share.

4. In addition to the causes of loss specified in paragraph 1.a. of the Apple Crop Insurance policy, excess sun is an insurable cause of loss.

5. In lieu of sections 9.e.(1), 9.e.(2), 17.l, and 17.q. of the Apple Policy, the total production to be counted for a unit must include all harvested and appraised production. Harvested apple production which, due solely to excessive sun or along with hail damage, does not grade 80 percent U.S. Fancy or better, in accordance with applicable USDA Standards, will be adjusted as follows:

a. Production with 21 thru 40 percent not grading U.S. Fancy or better due solely to excessive sun or along with hail damage will be reduced 2 percent for each percent in excess of 20 percent. The difference between the reduced production and the total production will be considered cull production.

b. Production with 41 thru 50 percent not grading U.S. Fancy or better due solely to excessive sun or along with hail damage will be reduced 40 percent plus an additional 3 percent for each percent in excess of 40 percent. The difference between the reduced production and the total production will be considered cull production.

c. Production with 51 thru 64 percent not grading U.S. Fancy or better due solely to excessive sun or along with hail damage will be reduced 70 percent plus an additional 2 percent for each percent in excess of 50 percent. The difference between the reduced production and the total production will be considered cull production.

d. Production with 65 percent or more not grading U.S. Fancy or better due solely to excessive sun or along with hail damage will be considered 100 percent cull production.

Fifteen (15) percent of all cull production, will be counted as production.