§ 457.150 7 CFR Ch. IV (1–1–12 Edition)

11. Duties In the Event of Damage or Loss

In addition to the requirements of section 14 of the Basic Provisions, the following will apply:

(a) You must notify us within 3 days after the date harvest should have started if the crop will not be harvested.

(b) You must notify us at least 15 days before any production from any unit will be sold by direct marketing. We will conduct an appraisal that will be used to determine your production to count for production that is sold by direct marketing. If damage occurs after this appraisal, we will conduct an additional appraisal. These appraisals, and any acceptable records provided by you, will be used to determine your production to count. Failure to give timely notice that production will be sold by direct marketing will result in an appraised amount of production to count of not less than the production guarantee per acre if such failure results in our inability to make the required appraisal.

(c) If the crop has been damaged during the growing season and you previously gave notice in accordance with section 14 of the Basic Provisions, you must also provide notice at least 15 days prior to the beginning of harvest if you intend to claim an indemnity as a result of the damage previously reported. You must not destroy the damaged crop until the earlier of 15 days from the date you gave notice of loss, or our written consent to do so. If you fail to meet requirements of this section all such production will be considered undamaged and included as production to count.

12. Settlement of Claim

(a) We will determine your loss on a unit basis. In the event you are unable to provide separate acceptable production records:

(1) For any optional unit, we will combine all optional units for which such production records were not provided; or

(2) For any 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 insured acreage by its respective production guarantee;

(2) Multiplying each result in section 12(b)(1) by the respective price election you selected for each type or variety;

(3) Totaling the results in section 12(b)(2);

(4) Multiplying the total production to count of each type or variety, if applicable, (see section 12(c)) by the respective price election you selected;

(5) Totaling the results in section 12(b)(4);

(6) Subtracting the result of section 12(b)(5) from the result in section 12(b)(3); and

(7) Multiplying the result of section 12(b)(6) by your share.

(c) The total production to count (in lugs) from all insurable acreage on the unit will include:

(1) All appraised production as follows:

(i) Not less than the production guarantee per acre for acreage:

(A) That is abandoned;

(B) That is sold by direct marketing if you fail to meet the requirements in section 11(b);

(C) That is damaged solely by uninsured causes; or

(D) For which you fail to provide acceptable production records;

(ii) Production lost due to uninsured causes;

(iii) Unharvested production that meets, or would meet if properly handled, the state quality standards, if specified in the Special Provisions, or the appropriate USDA grade standard (if no state standard is specified); and

(iv) Potential production on insured acreage that you intend to abandon or no longer care for, if you and we agree on the appraised amount of production. Upon such agreement, the insurance period for that acreage will end. If you do not agree with our appraisal, we may defer the claim only if you agree to continue to care for the crop. We will then make another appraisal when you notify us of further damage or that harvest is general in the area unless you harvested the crop, in which case we will use the harvested production.

If you do not continue to care for the crop, our appraisal made prior to deferring the claim will be used to determine the production to count; and

(2) All harvested production from insurable acreage regardless of condition or disposition. The quantity of production to count for table grape production damaged by insurable causes within the insurance period that is marketed for any use other than table grapes will be determined by multiplying the greater of (1) the value of the table grapes per ton or (2) $50, by the number of tons and dividing that result by the highest price election available for the insured unit. This result will be the number of lugs to count.

13. Late and Prevented Planting

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


§ 457.150  Dry bean crop insurance provisions.

The dry bean crop insurance provisions for the 2003 and succeeding crop years are as follows:

FCIC Policies 304
DEPARTMENT OF AGRICULTURE
Federal Crop Insurance Corporation
Reinsured Policies

(Appropriate title for insurance provider)
Both FCIC and Reinsured Policies

Dry Bean Crop Provisions

If a conflict exists among the policy provisions, the order of priority is as follows: (1) The Catastrophic Risk Protection Endorsement, if applicable; (2) the Special Provisions; (3) these Crop Provisions; and (4) the Basic Provisions with (1) controlling (2), etc.

1. Definitions

Actual value. The dollar value received, or that could be received, for contract seed bean production under a seed bean processor contract if the contract seed bean production is properly handled in accordance with the requirements of such contract.

Base price. The price per pound (excluding any discounts or incentives that may apply) that is stated in the seed bean processor contract and that will be paid to the producer for at least 50 percent of the total production under contract with the seed company.

Beans. Dry beans and contract seed beans.

Combining. A harvesting process that uses a machine to separate the beans from the pods and other vegetative matter and place the beans into a temporary storage receptacle.

Contract seed beans. Dry beans grown under the terms of a seed bean processor contract for the purpose of producing seed to be used for producing dry beans or vegetable beans in a future crop year.

Dry beans. The crop defined by The United States Standards for Beans excluding contract seed beans.

Harvest. Combining the beans. Beans which are swathed or knifed prior to combining are not considered harvested.

Local market price. The cash price per hundredweight for the U.S. No. 2 grade of dry beans of the insured type offered by buyers in the area in which you normally market the dry beans. Moisture content and factors not associated with grading under the United States Standards for Beans will not be considered in establishing this price.

Net price. The dollar value of dry bean production received, or that could have been received, after reductions in value due to insurable causes of loss.

Pick. The percentage, on a weight basis, of defects including splits, damaged (including discolored) beans, contrasting types, and foreign material that remains in the dry beans after docking has been removed by the proper use of screens or sieves.

Planted acreage. In addition to the definition contained in the Basic Provisions, beans must initially be planted in rows far enough apart to permit mechanical cultivation, unless otherwise provided by the Special Provisions, actuarial documents, or by written agreement.

Practical to replant. In lieu of the definition of “Practical to replant” contained in section 1 of the Basic Provisions (§ 457.8), practical to replant is defined as our determination, after loss or damage to the insured crop, based on factors, including but not limited to moisture availability, condition of the field, time to crop maturity, production practices, and other factors, that replanting the insured crop will allow the crop to attain maturity prior to the calendar date for the end of the insurance period. It will not be considered practical to replant after the end of the late planting period unless replanting is generally occurring in the area. For contract seed beans, it will not be considered practical to replant unless production from the replanted acreage can be delivered under the terms of the seed bean processor contract or the seed company agrees to accept such production.

Seed bean processor contract. A written agreement between the contract seed bean producer and the seed company, containing at a minimum:

(a) The contract seed bean producer’s promise to plant and grow one or more specific varieties of contract seed beans, and deliver the production from those varieties to the seed company;
(b) The seed company’s promise to purchase all the production stated in the contract; and
(c) A base price, or a method to determine such price based on published independent information, that will be paid to the contract seed bean producer for the production stated in the contract.

Seed company. Any business enterprise regularly engaged in the processing of seed beans, that possesses all licenses and permits for marketing seed beans required by the State in which it operates, and that possesses or has contracted for facilities, with enough drying, screening and bagging or packaging equipment to accept and process the seed beans within a reasonable amount of time after harvest.

Swathing or knifing. Severance of the bean plant from the ground, including the pods and beans, and placing them into windrows.

Type. A category of beans identified as a type in the Special Provisions.

2. Unit Division

(a) In addition to the definition of basic unit in section 1 of the Basic Provisions, all acreage of contract seed beans qualifies as a separate basic unit. For production based seed bean processor contracts, the basic unit will consist of all the acreage needed to produce the amount of production under contract, based on the actual production history.
of the acreage. For acreage based seed bean processor contracts, the basic unit will consist of all acreage specified in the contract.

(b) In addition to, or instead of, establishing optional units by section, section equivalent, or FSA farm serial number and by irrigated and non-irrigated acreage as provided in the unit division provisions contained in the Basic Provisions, a separate optional unit may be established for each bean type shown in the Special Provisions.

(c) Contract seed beans may qualify for optional units only if the seed bean processor contract specifies the number of acres under contract. Contract seed beans produced under a seed bean processor contract that specifies only an amount of production or a combination of acreage and production, are not eligible for optional units.

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

(a) In addition to the requirements of section 3(b) (Insurance Guarantees, Coverage Levels, and Prices for Determining Indemnities) of the Basic Provisions (§ 457.8), you may select only one price election for all the dry beans in the county insured under this policy unless the Special Provisions provide different price elections by type, in which case you may select one price election for each dry bean type designated in the Special Provisions. The price elections you choose for each type are not required to 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 may also choose 75 percent of the maximum price election for another type.

(b) For contract seed beans only, the dollar amount of insurance is obtained by multiplying the production guarantee per acre for each variety in the unit by the insured acreage of that variety, times the applicable base price, and times the price election percentage you selected. The total of these results will be the amount of insurance for contract seed beans in the unit.

4. Contract Changes

In accordance with section 4 (Contract Changes) of the Basic Provisions, the contract change date is November 30 (December 17 for the 1998 crop year only) preceding the cancellation date.

5. Cancellation and Termination Dates

In accordance with section 2 (Life of Policy, Cancellation, and Termination) of the Basic Provisions (§ 457.8), the cancellation and termination dates are:

<table>
<thead>
<tr>
<th>State and county</th>
<th>Cancellation and termination dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>California</td>
<td>February 28.</td>
</tr>
<tr>
<td>All other States</td>
<td>March 15.</td>
</tr>
</tbody>
</table>

6. Report of Acreage

For contract seed beans only, in addition to the requirements of section 6 (Report of Acreage) of the Basic Provisions (§ 457.8), you must submit a copy of the seed bean processor contract on or before the acreage reporting date.

7. Insured Crop

(a) In accordance with section 8 (Insured Crop) of the Basic Provisions (§ 457.8), the crop insured will be all the beans in the county for which a premium rate is provided by the actuarial documents:

1. In which you have a share;
2. That are planted for harvest as:
   (i) Dry beans; or
   (ii) If applicable, contract seed beans, if the seed bean processor contract is executed on or before the acreage reporting date; and
3. That are not (unless allowed by the Special Provisions or by written agreement):
   (i) Interplanted with another crop; or
   (ii) Planted into an established grass or legume.
(b) For contract seed beans only:

1. An instrument in the form of a “lease” under which you retain control of the acreage on which the insured crop is grown and that provides for delivery of the crop under substantially the same terms as a seed bean processor contract may be treated as a contract under which you have an insurable interest in the crop; and
2. We will not insure any acreage of contract seed beans produced by a seed company.
(c) In addition to the types of dry beans designated in the Special Provisions, we will insure other types if:
1. The type you intend to plant has been demonstrated to be adapted to the area. Evidence of adaptability must include:
   (i) Results of test plots for 2 years and recommendations by a university or seed company; or
   (ii) Two years of production reports that indicate your experience producing the type in your production area;
2. You submit on or before the sales closing date your production reports and prices received, or the test plot results, and evidence of market potential, including the
Federal Crop Insurance Corporation, USDA § 457.150

price buyers are willing to pay for the type; and

(3) Both parties (you and us) enter into a written agreement allowing insurance on the type in accordance with section 18 of the Basic Provisions.

(d) Any acreage of beans that is destroyed and replanted to a different insurable type of beans will be considered insured acreage in accordance with section 11.

8. Insurable Acreage

In addition to the provisions of section 9 (Insurable Acreage) of the Basic Provisions (§ 457.8): (a) We will not insure any acreage that does not meet the rotation requirements contained in the Special Provisions; or

(b) Any acreage of the insured crop damaged before the final planting date, to the extent that the majority of growers in the area would normally not further care for the crop, must be replanted unless we agree that replanting is not practical. We will not require you to replant if it is not practical to replant to the same type of beans as originally planted.

9. Insurance Period

In accordance with the provisions of section 11 (Insurance Period) of the Basic Provisions (§ 457.8), the calendar date for the end of the insurance period is the date immediately following planting as follows:

(a) October 15 in Oklahoma, New Mexico, and Texas;

(b) November 15 in California; and

(c) October 31 in all other States.

10. Causes of Loss

In accordance with the provisions of section 12 (Causes of Loss) of the Basic Provisions (§ 457.8), insurance is provided only against the following causes of loss that occur during the insurance period:

(a) Adverse weather conditions;

(b) Fire;

(c) Insects, but not damage due to insufficient or improper application of pest control measures;

(d) Plant disease, but not damage due to insufficient or improper application of disease control measures;

(e) Wildlife;

(f) Earthquake;

(g) Volcanic eruption; or

(h) Failure of the irrigation water supply, if caused by an insured peril that occurs during the insurance period.

11. Replanting Payments

(a) In accordance with section 13 (Replanting Payment) of the Basic Provisions (§ 457.8), a replanting payment is allowed if the bean crop is damaged by an insurable cause of loss to the extent that the remaining stand will not produce at least 90 percent of the production guarantee for the acreage and it is practical to replant.

(b) The maximum amount of the replanting payment per acre will be the lesser of 10 percent of the production guarantee for the type to be replanted or 120 pounds multiplied by your price election for the type to be replanted and by your insured share.

(c) When beans are replanted using a practice that is uninsurable as an original planting, the liability for the unit will be reduced by the amount of the replanting payment. The premium amount will not be reduced.

(d) The guarantee and premium for acreage replanted to a different insurable type will be based on the replanted type and will be calculated in accordance with sections 3 (Insurance Guarantees, Coverage Levels, and Prices for Determining Indemnities) and 7 (Annual Premium) of the Basic Provisions (§ 457.8) and section 3 of these Crop Provisions.

12. Duties in the Event of Damage or Loss

In accordance with the requirements of section 14 (Duties in the Event of Damage or Loss) of the Basic Provisions (§ 457.8), representative samples of the unharvested crop must be at least 10 feet wide and extend the entire length of each field in the unit. The samples must not be harvested or destroyed until the earlier of our inspection or 15 days after harvest of the balance of the unit is completed.

13. Settlement of Claim

(a) We will determine your loss on a unit basis. In the event you are unable to provide separate acceptable production records:

(1) For any optional units, we will combine all optional units for which such production records were not provided; or

(2) For any basic units, we will allocate any commingled production to such units in proportion to our liability on the harvested acreage for the unit.

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

(1) Multiplying the insured acreage of each dry bean type by its respective production guarantee;

(2) Multiplying each result in section 13(b)(1) by the respective price election for each insured type;

(3) Totaling the results in section 13(b)(2);

(4) Multiplying the insured acreage of each contract seed bean type by its respective production guarantee;

(5) Multiplying each result in section 13(b)(4) by the applicable base price;

(6) Multiplying each result in section 13(b)(5) by your selected price election percentage; and

(7) Totaling the results in section 13(b)(6);
(b) Totaling the results in section 13(b)(3) and
section 13(b)(6);
(9) Multiplying the total production to be
counted of each dry bean type if applicable,
(see section 13(d)) by the respective price
election;
(10) Totaling the value of all contract seed
bean production (see section 13(e));
(11) Totaling the results in section 13(b)(9)
and section 13(b)(10);
(12) Subtracting the total in section
13(b)(11) from the total in section 13(b)(8); and
(13) Multiplying the result by your share.
(c) The value of contract seed bean produc-
tion to count for each type in the unit will
be determined as follows:
(1) For production meeting the minimum
quality requirements contained in the seed
bean processor contract and for production
that does not meet such requirements due to
uninsured causes:
(i) Multiplying the actual value or base
price per pound, whichever is greater, by the
price election percentage you selected; and
(ii) Multiplying the result by the number
of pounds of such production.
(2) For production not meeting the min-
imum quality requirements contained in the
seed bean processor contract due to insur-
able causes:
(i) Multiplying the actual value by the
price election percentage you selected; and
(ii) Multiplying the result by the number
of pounds of such production.
(d) The total bean production to count (in
pounds) from all insurable acreage on the
unit will include:
(i) All appraised production as follows:
(A) That is abandoned;
(B) That is put to another use without our
consent;
(C) That is damaged solely by uninsured
causes; or
(D) For which you fail to provide produc-
tion records that are acceptable to us;
(ii) Production lost due to uninsured
causes;
(iii) Unharvested production (mature
unharvested production of dry beans may be
adjusted for quality deficiencies and excess
moisture in accordance with section 13(e));
and
(iv) Potential production on insured acre-
age that you intend to put to another use or
abandon, if you and we agree on the app-
raised amount of production. Upon such
agreement, the insurance period for that
acreage will end when you put the acreage to
another use or abandon the crop. If agree-
ment on the appraised amount of production
is not reached:
(A) If you do not elect to continue to care
for the crop, we may give you consent to put
the acreage to another use if you agree to
leave intact, and provide sufficient care for,
representative samples of the crop in loca-
tions acceptable to us (The amount of pro-
duction to count for such acreage will be
based on the harvested production or ap-
praisals from the samples at the time har-
vest should have occurred. If you do not
leave the required samples intact, or fail to
provide sufficient care for the samples, our
appraisal made prior to giving you consent
to put the acreage to another use will be
used to determine the amount of production
to count); or
(B) If you elect to continue to care for the
crop, the amount of production to count for
the acreage will be the harvested production,
or our reappraisal if additional damage oc-
curs and the crop is not harvested; and
(2) All harvested production from the in-
surable acreage.
(e) Mature dry bean production to count
may be adjusted for excess moisture and
quality deficiencies. If moisture adjustment
is applicable, it will be made prior to any ad-
justment for quality. Adjustment for excess
moisture and quality deficiencies will not be
applicable to contract seed beans.
(1) Production will be reduced by 0.12 per-
cent for each 0.1 percentage point of mois-
ture in excess of 18 percent. We may obtain
samples of the production to determine the
moisture content.
(2) Production will be eligible for quality
adjustment if:
(i) A pick is designated in the Special Pro-
visions and the pick of the damaged produc-
tion exceeds this designation; or
(ii) A pick is not designated in the Special
provisions and deficiencies in quality, in ac-
cordance with the United States Standards
for Beans, result in dry beans not meeting
the grade requirements for U.S. No. 2 (grades
U.S. No. 3 or worse) because the beans are
damaged or badly damaged; or
(iii) Substances or conditions are present
that are identified by the Food and Drug Ad-
mnistration or other public health organiza-
tions of the United States as being injurious
to human or animal health.
(3) Quality will be a factor in determining
your loss only if:
(i) The deficiencies, substances, or condi-
tions resulted from a cause of loss against
which insurance is provided under these crop
provisions and which occurs within the in-
surance period;
(ii) The deficiencies, substances, or condi-
tions result in a net price for the damaged
production that is less than the local market
price;
(iii) All determinations of these defi-
ciences, substances, or conditions are made
using samples of the production obtained by
us or by a disinterested third party approved
by us;
§ 457.151 Forage seeding crop insurance provisions.

The Forage Seeding Crop Insurance Provisions for 2003 and succeeding crop years are as follows:

FCIC Policies

DEPARTMENT OF AGRICULTURE
Federal Crop Insurance Corporation
Reinsured Policies
(Appropriate title for insurance provider)
Both FCIC and Reinsured Policies:

Forage Seeding Crop Provisions

If a conflict exists among the policy provisions, the order of priority is as follows: (1) The Catastrophic Risk Protection Endorsement, if applicable; (2) the Special Provisions; (3) these Crop Provisions; and (4) the Basic Provisions with (1) controlling, (2), etc.

1. Definitions

Crop year. The period within which the planting is or normally would become established and shall be designated by the calendar year in which the planting is made for spring planted acreage and the next succeeding calendar year for fall planted acreage.

Fall planted. A forage crop seeded after June 30.

Forage. Planted perennial alfalfa, perennial red clover, perennial grasses, or a mixture