

FEDERAL CROP INSURANCE CORPORATION



STONEFRUIT ENDORSEMENT

1. CAUSES OF LOSS

a. The insurance provided is against unavoidable loss of production resulting from the following causes occurring within the insurance period:

- (1) adverse weather conditions;
- (2) earthquake;
- (3) fire;
- (4) wildlife;
- (5) volcanic eruption;
- (6) an insufficient number of chilling hours to effectively break dormancy; or
- (7) failure of the irrigation water supply due to an unavoidable cause occurring after insurance attaches;

Unless these causes of loss are excepted, excluded, or limited by the actuarial table or section 9 of the general crop insurance policy.

b. In addition to the causes of loss not insured under Section 1.b. of the general crop insurance policy, we will not insure against any loss of production due to:

- (1) fire, where weeds and other forms of undergrowth have not been controlled or tree pruning debris has not been removed from the orchard;
- (2) insect infestation;
- (3) split pits regardless of cause; or
- (4) inability to market as a direct result of quarantine, boycott, or refusal of any entity to accept or harvest production unless production has actual physical damage due to a cause specified in subsection 1.a.

2. INSURED CROP AND ACREAGE

a. The crop insured will be any of the following stonefruit types you elect in writing prior to the sales closing date and grown for fresh market fruit or processing (whichever is applicable) for which we provide a guarantee and premium rate:

- Type I - Apricots - Fresh
- Type II - Apricots - Processing
- Type III - Nectarines - Fresh
- Type IV - Peaches, Cling - Processing
- Type V - Peaches, Freestone - Processing
- Type VI - Peaches, Freestone - Fresh

b. You may insure any fresh market Stonefruit of Type I Apricots or Type VI Freestone Peaches as processing Type II Apricots or Type V Freestone Peaches respectively by converting fresh market lugs, harvested or appraised, to equivalent processing tons using the weight equivalents provided in paragraph 12.d.

c. In lieu of the provisions of Subsection 2.e. of the general crop insurance policy, we do not insure any stonefruit acreage:

- (1) which is not irrigated;
- (2) on which the trees have not reached the fifth growing season after being set out;
- (3) which has not produced at least 200 lugs fresh market production per acre (at least 2.2 tons per acre for processing types);
- (4) for which acceptable production records for the type elected for at least the previous crop year are not provided;
- (5) which we inspect and consider not acceptable;
- (6) which is interplanted with another crop;
- (7) on which is grown a type or variety: not established as adapted to the area; excluded by the actuarial table; or not regulated by the California Tree Fruit agreement, or a related crop advisory board for the State (for applicable types);
- (8) from which the fruit is harvested directly by the public; or

(9) if the orchard practices carried out are not in accordance with the orchard practices for which the premium rates have been established.

3. REPORT OF ACREAGE, SHARE, TYPE AND PRACTICE (ACREAGE REPORT)

The acreage report must be filed on or before January 31. You must report the crop type in addition to the information required by the general crop insurance policy for the acreage report.

4. PRODUCTION REPORTING AND PRODUCTION GUARANTEES

a. In addition to the production report required in section 4 of the general crop insurance policy, you must report:

- (1) the number of bearing trees;
- (2) the number of trees planted per acre;
- (3) known tree damage or use of production practices which have or may reduce the yield from previous levels; and
- (4) if the number of bearing trees (fifth growing season and older) is reduced more than 10% from the preceding calendar year. (The production guarantee will be reduced 1 percent (through adjustment to your average yield) for each 1 percent reduction in excess of 10 percent).

b. You may select only one coverage level and price election per type for the crop year.

c. The processing price elections will be applied to any applicable type (except type III - Nectarines) where an election:

- (1) has not been made by the insured or;
- (2) is not available in accordance with the provisions of the actuarial table.

5. ANNUAL PREMIUM

The annual premium is computed by multiplying the production guarantee times the price election, times the premium rate, times the insured acreage, times your share at the time insurance attaches.

6. INSURANCE PERIOD

In lieu of the provisions in section 7 of the general crop insurance policy, coverage begins for each crop year on February 1. Insurance ends on each acre at the earliest of:

- a. total destruction of the insured crop by type;
- b. harvest;
- c. the date harvest would normally start for the type if the crop is not to be harvested;
- d. final adjustment of a loss; or
- e. in all counties, the calendar date immediately following February 1 as follows:

(1) all apricots	July 31
(2) all nectarines and peaches	September 30.

7. UNITS

Stonefruit acreage of each type, grown on non-contiguous land, that would otherwise be one unit as defined in section 17 of the general crop insurance policy, may be divided into more than one unit if you agree to pay an additional premium as provided for by the actuarial table and if for each proposed unit you maintain written, verifiable records of acreage and harvested production for at least the previous crop year.

If you have a loss on any unit, production records for all harvested units must be provided. Production that is commingled between units will cause the production from those units to be combined for the purpose of calculating an indemnity.

8. NOTICE OF DAMAGE OR LOSS

In lieu of the notices required in section 8. a. (2), (3), and (4) of the general crop insurance policy, in case of damage or probable loss you must give us written notice within 72 hours of the date of damage and indicate the cause of damage and whether a claim for indemnity is probable. Notwithstanding the previous

sentence, if damage occurs within 72 hours of or during harvest, immediate notice stating the cause of damage and probability of a claim must be given to us. If notice is given under this paragraph, we must be notified of the time of harvest at least 72 hours before harvest begins.

9. CLAIM FOR INDEMNITY

In addition to Section 9 of the general crop insurance policy:

- a. The indemnity will be determined separately for each unit of types I, III, and VI by:
 - (1) multiplying the insured acreage by the production guarantee;
 - (2) subtracting therefrom the total production of fresh stonefruit by type to be counted (see section 9.b. or c.);
 - (3) multiplying the remainder by the price election; and
 - (4) multiplying this result by the insured share.
- b. The total production (standard lug equivalents)(see section 12.d.) to be counted for a unit will include all production harvested, by type and all appraised production. For fresh apricots (Type I), such production must meet the California Department of Food and Agriculture minimum standards. For fresh nectarines (Type III) and fresh freestone peaches (Type VI), such production must meet U.S. #1 standards as modified by the latest California Tree Fruit Agreement Publication.
 - (1) Production of fresh stonefruit damaged by insurable causes within the insurance period that could be marketed for any use as other than fresh packed stonefruit, will be determined by multiplying the number of tons that could be marketed by the value per ton of fruit or \$50.00 per ton, whichever is greater, and dividing that result by the highest price election available for the type. This result will be the number of standard lug equivalents to be considered as production to count.
 - (2) Appraised production to be counted will include:
 - (a) unharvested production on harvested acreage and potential production lost due to uninsured causes;
 - (b) not less than the applicable guarantee for any acreage which is abandoned, destroyed by you without our prior written consent, or not inspected by us prior to the completion of harvest;
 - (c) any unharvested production where good stonefruit cultural practices were discontinued following an appraisal; and
 - (d) any appraised production on unharvested acreage.
 - (3) Any appraisal we have made on insured acreage will be considered production to count unless such appraised production is:
 - (a) not harvested before the harvest of stonefruit becomes general in the county and is reappraised by us;
 - (b) further damaged by an insured cause and is reappraised by us; or
 - (c) harvested.
 - (4) The amount of production of any unharvested type may be determined on the basis of orchard appraisals conducted after the end of the insurance period or discontinuance of harvest. We may appraise and consider as production to count, any insured fruit remaining on acreage not clean harvested.
 - (5) We may delay final appraisal until the extent of damage can be determined.
- c. The total production in tons to be counted for a processing unit will include all production harvested and all appraised production:
 - (1) for processing apricots (Type II), such production must meet California Department of Food and Agriculture minimum standards;
 - (2) for processing clingstone peaches (Type IV), such production must be graded by the California State

- Inspection Service as #2 or better.
- (3) for processing freestone peaches (Type V) such production must meet California Department of Food and Agriculture minimum standards and will include all production harvested and appraised which is acceptable to the processor.
- (4) Appraised production to be counted for types II, IV, and V will include:
 - (a) potential production lost due to uninsured causes and failure to follow recognized good stonefruit production practices;
 - (b) not less than the guarantee for any acreage which is abandoned, damaged solely by an uninsured cause, or destroyed by you without our consent; and
 - (c) any unharvested production.
- (5) Any appraisal for processing fruit types will be conducted based on procedure stated in subsection 9.b.(2), (3), and (4).
- d. In the absence of acceptable records to determine the disposition of harvested stonefruit, we may elect to determine such disposition and the amount of such production to be counted for the unit.
- e. You must authorize us in writing to examine and obtain any records pertaining to production and marketing of the insured fruit under this contract from the broker, shipper, canner, advisory board, marketing order or other source we deem necessary.

10. THE CANCELLATION AND TERMINATION DATES

The cancellation and termination dates are January 31.

11. CONTRACT CHANGES

The date by which contract changes will be available in your service office is October 31 preceding the cancellation date. Acceptance of any change will be conclusively presumed in the absence of notice from you to cancel the contract.

12. MEANING OF TERMS

For the purpose of Stonefruit crop insurance:

- a. **Appraisal** means an estimate of the potential production determined by our representative using our prescribed procedures.
- b. **Crop Year** means the period beginning with the date insurance attaches and extending through the normal harvest time and will be designated by the calendar year in which the insured type is normally harvested.
- c. **Harvest** means the picking of mature fruit from the trees by hand or machine.
- d. **Lug** means a container of fresh fruit of the weights shown below. All fresh production to count of varying lug sizes will be converted to standard lug equivalents on the basis of the following average net pounds of packed fruit:

<u>TYPE</u>		<u>POUNDS/LUG</u>
I	Apricots	24
III	Nectarines	25
VI	Freestone Peaches	22
- e. **Ton** means a volume of apricots or processing peaches of type II, IV, or V marketable through processing channels and equating 2000 pounds.