

**DEPARTMENT OF AGRICULTURE  
Federal Crop Insurance Corporation  
FRESH MARKET PEPPER CROP PROVISIONS**



If a conflict exists among the Basic Provisions, these Crop Provisions, and the Special Provisions; the Special Provisions will control these Crop Provisions and the Basic Provisions; and these Crop Provisions will control the Basic Provisions.

**1. Definitions.**

**Acre** - 43,560 square feet of land when row widths do not exceed six feet, or if row widths exceed six feet, the land area on which at least 7,260 linear feet of rows are planted.

**Bell pepper** - An annual pepper (of the capsicum annum species, grossum group), widely cultivated for its large, crisp, edible fruit.

**Box** - One and one-ninth (1-1/9) bushels of the insured crop.

**Crop year** - In lieu of the definition of "crop year" contained in section 1 (Definitions) of the Basic Provisions, crop year is a period of time that begins on the first day of the earliest planting period for fall planted peppers and continues through the last day of the insurance period for spring planted peppers. The crop year is designated by the calendar year in which spring planted peppers are harvested.

**Days** - Calendar days.

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

**Excess rain** - An amount of precipitation sufficient to directly damage the crop.

**FSA** - The Farm Service Agency, an agency of the United States Department of Agriculture or a successor agency.

**Freeze** - The formation of ice in the cells of the plant or its fruit, caused by low air temperatures.

**Good farming practices** - The cultural practices generally in use in the county for the crop to make normal progress toward maturity, and are those recognized by the Cooperative State Research, Education, and Extension Service as compatible with agronomic and weather conditions in the county.

**Harvest** - The picking of peppers on the unit.

**Interplanted** - Acreage on which two or more crops are planted in a manner that does not permit separate agronomic maintenance or harvest of the insured crop.

**Irrigated practice** - A method of producing a crop by which water is artificially applied during the growing season by appropriate systems and at the proper times, with the intention of providing the quantity of water needed for the insured crop to make normal progress toward maturity.

**Mature bell pepper** - A pepper that has reached the stage of development that will withstand normal handling and shipping.

**Plant stand** - The number of live plants per acre prior to the occurrence of an insurable cause of loss.

**Planted acreage** - Land in which, for each planting period, transplants or seed have been placed manually or by a machine appropriate for the insured crop and planting method, at the correct depth, into soil that has been properly prepared for the planting method and production practice. For each planting period, peppers must initially be planted in rows. Acreage planted in any other manner will not be insurable unless otherwise provided by the Special Provisions or by written agreement.

**Planting period** - The period of time designated in the Actuarial Table in which the peppers must be planted to be considered fall, winter or spring-planted peppers.

**Potential production** - The number of boxes of mature bell peppers that the pepper plants will or would have produced per acre by the end of the insurance period, assuming normal growing conditions and practices.

**Practical to replant** - In lieu of the definition of "Practical to replant" contained in section 1 of the Basic Provisions, 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, marketing windows, and time to crop maturity, that replanting to the insured crop will allow the crop to attain maturity prior to the calendar date for the end of the insurance period (inability to obtain plants or seed will not be considered when determining if it is practical to replant).

**Replanting** - Performing the cultural practices necessary to replace the pepper seed or transplants and then replacing the pepper seed or transplants in the insured acreage with the expectation of growing a successful crop.

**Row width** - The widest distance from the center of one row of plants to the center of an adjacent row of plants.

**Tropical depression** - A system identified by the U.S. Weather Service as a tropical depression, and for the period of time so designated, including tropical storms, gales, and hurricanes.

**Written agreement** - A written document that alters designated terms of a policy in accordance with section 15.

**2. Unit Division.**

- (a) In addition to the requirement contained in section 1 (Definitions) of the Basic Provisions, (basic unit), a basic unit will also be established by planting period.
- (b) Unless limited by the Special Provisions, basic units may be further divided into optional units if, for each optional unit you meet all the conditions of this section or if a written agreement for such further division exists.
- (c) If you do not comply fully with these provisions, we will combine all optional units that are not in compliance with these provisions into the basic unit from which they were formed. We will combine the optional units at any time we discover that you have failed to comply with these provisions. If failure to comply with these provisions is determined to be inadvertent, and the optional units are combined into a basic unit, that portion of the premium paid for the purpose of electing optional units will be refunded to you for the units combined.
- (d) All optional units established for a crop year must be identified on the acreage report for that crop year.
- (e) The following requirements must be met for each optional unit:
  - (1) You must have records, which can be independently verified, of planted acreage and production for each optional unit for at least the last crop year in which the insured crop was planted;
  - (2) You must plant the crop in a manner that results in a clear and discernable break in the planting pattern at the boundaries of each optional unit;
  - (3) You must have records of marketed production or measurement of stored production from each optional unit maintained in such a manner that permits us to verify the production from each optional unit, or the production from each unit must be kept separate until loss adjustment is completed by us; and
  - (4) Each optional unit must be located in a separate legally identified section. In the absence of sections, we may consider parcels of land legally identified by other methods of measure including, but not limited to Spanish grants, railroad surveys, leagues, labors, or Virginia Military Lands, as the equivalent of sections for unit purposes. In areas that have not been surveyed using the systems identified above, or another system approved by us, or in areas where such systems exist but boundaries are not readily discernable, each optional unit must be located in a separate farm identified by a single FSA Farm Serial Number.

**3. Amounts of Insurance and Production Stages.**

- (a) In addition to the requirements of section 3 (Insurance Guarantees, Coverage Levels, and Prices for Determining Indemnities) of the Basic Provisions, you may select only one coverage level (and the corresponding amount of insurance designated in the Actuarial Table for the applicable planting period

and practice) for all the peppers in the county insured under this policy.

- (b) The amount of insurance you choose for each planting period and practice must have the same percentage relationship to the maximum price offered by us for each planting period and practice. For example, if you choose 100 percent of the maximum amount of insurance for a specific planting period and practice, you must also choose 100 percent of the maximum amount of insurance for all other planting periods and practices.
- (c) The production reporting requirements contained in section 3 (Insurance Guarantees, Coverage Levels, and Prices for Determining Indemnities) of the Basic Provisions do not apply to fresh market peppers.
- (d) The amounts of insurance per acre are progressive by stages as follows:

Stage	Percent of the Amount of Insurance per acre that you selected	Length of time if Direct-seeded	Length of time if Transplanted
1	65	From planting through the 74th day after planting	From planting through the 44th day after planting
2	85	From the 75th day after planting until the beginning of stage 3	From the 45th day after planting until the beginning of stage 3
3	100	Begins the earlier of 110 days after planting, or the beginning of harvest	Begins the earlier of 80 days after planting, or the beginning of harvest

- (e) Any acreage of peppers damaged in the first or second stage to the extent that the majority of producers in the area would not normally further care for it, will be deemed to have been destroyed. The indemnity payable for such acreage will be based on the stage the plants had achieved when the damage occurred.

**4. Contract Changes.**

In accordance with section 4 (Contract Changes) of the Basic Provisions, the contract change date is April 30 preceding the cancellation date.

**5. Cancellation and Termination Dates.**

In accordance with section 2 (Life of Policy, Cancellation, and Termination) of the Basic Provisions, the cancellation and termination dates are July 31.

**6. Report of Acreage.**

In addition to the requirements of section 6 (Report of Acreage) of the Basic Provisions, you must report on or before the acreage reporting date contained in the Special Provisions for each planting period:

- (a) All the acreage of peppers in the county insured under this policy in which you have a share;
- (b) The dates the acreage was planted within each planting period; and
- (c) The row width.

## 7. Annual Premium.

In lieu of the premium amount determinations contained in section 7 (Annual Premium) of the Basic Provisions, the annual premium amount for each cultural practice (e.g., fall direct-seeded irrigated) is determined by multiplying the third stage amount of insurance per acre by the premium rate for the cultural practice as established in the Actuarial Table, by the insured acreage, by your share at the time coverage begins, and by any applicable premium adjustment factors contained in the Actuarial Table.

## 8. Insured Crop.

In accordance with section 8 (Insured Crop) of the Basic Provisions, the crop insured will be all the bell peppers in the county for which a premium rate is provided by the Actuarial Table:

- (a) In which you have a share;
- (b) That are:
  - (1) Planted to be harvested and sold as mature fresh market bell peppers;
  - (2) Planted within the planting periods designated in the Actuarial Table;
  - (3) Grown under an irrigated practice;
  - (4) Grown on acreage covered by plastic mulch except where the Special Provisions allow otherwise;
  - (5) Grown by a person who in at least one of the three previous crop years:
    - (i) Grew bell peppers for commercial sale; or
    - (ii) Participated in managing a bell pepper farming operation;
- (c) That are not:
  - (1) Interplanted with another crop;
  - (2) Planted into an established grass or legume;
  - (3) Pimento peppers; or
  - (4) Grown for direct marketing.

## 9. Insurable Acreage.

- (a) In lieu of the provisions of section 9 (Insurable Acreage) of the Basic Provisions, that prohibit insurance attaching if a crop has not been planted in at least one of the three previous crop years, we will insure newly cleared land or former pasture land planted to fresh market peppers.
- (b) In addition to the provisions of section 9 (Insurable Acreage) of the Basic Provisions:
  - (1) You must replant any acreage of peppers damaged during the planting period in which initial planting took place whenever less than 50 percent of the plant stand remains: and
    - (i) It is practical to replant;
    - (ii) If, at the time the crop was damaged, the final day of the planting period has not passed; and
    - (iii) The damage occurs within 30 days of transplanting or 60 days of direct-seeding.
  - (2) Whenever peppers initially are planted during the fall or winter planting periods and the conditions specified in sections 9(b)(1)(ii) and (iii) are not satisfied, you may elect:

- (i) To replant such acreage and collect any replant payment due as specified in section 12. The initial planting period coverage will continue for such replanted acreage.

- (ii) Not to replant such acreage and receive an indemnity based on the stage of growth the plants had attained at the time of damage. However, such an election will result in the acreage being uninsurable in the subsequent planting period.

- (3) We will not insure any acreage on which peppers (except for replanted peppers in accordance with sections 9(b)(1) and (2)), tomatoes, eggplants, or tobacco have been grown and the soil was not fumigated or otherwise properly treated before planting peppers.

## 10. Insurance Period.

In lieu of the provisions of section 11 (Insurance Period) of the Basic Provisions, coverage begins on each unit or part of a unit the later of the date we accept your application, or when the peppers are planted in each planting period. Coverage ends at the earliest of:

- (a) Total destruction of the peppers on the unit;
- (b) Abandonment of the peppers on the unit;
- (c) The date harvest should have started on the unit on any acreage which will not be harvested;
- (d) Final adjustment of a loss on the unit;
- (e) Final harvest; or
- (f) The calendar date for the end of the insurance period as follows:
  - (1) 165 days after the date of direct-seeding or replanting with seed; and
  - (2) 150 days after the date of transplanting or replanting with transplants.

## 11. Causes of Loss.

- (a) In accordance with the provisions of section 12 (Causes of Loss) of the Basic Provisions, insurance is provided only against the following causes of loss that occur during the insurance period:
  - (1) Excess rain;
  - (2) Fire;
  - (3) Freeze;
  - (4) Hail;
  - (5) Tornado;
  - (6) Tropical depression; or
  - (7) Failure of the irrigation water supply, if caused by an insured cause of loss that occurs during the insurance period.
- (b) In addition to the causes of loss excluded in section 12 (Causes of Loss) of the Basic Provisions, we will not insure against any loss of production due to:
  - (1) Disease or insect infestation, unless no effective control measure exists for such disease or insect infestation; or
  - (2) Failure to market the peppers, unless such failure is due to actual physical damage caused by an insured cause of loss that occurs during the insurance period.

## 12. Replanting Payments.

- (a) In accordance with section 13 (Replanting Payment) of the Basic Provisions, a replanting payment is allowed if, due to an insured cause of loss, more than 50 percent of the plant stand will not produce peppers and it is practical to replant.
- (b) The maximum amount of the replanting payment per acre will be the lesser of your actual cost of replanting or the result obtained by multiplying the per acre replanting payment amount contained in the Special Provisions by your insured share.
- (c) In lieu of the provisions contained in section 13 (Replanting Payment) of the Basic Provisions, that limit a replanting payment to one each crop year, only one replanting payment will be made for acreage planted during each planting period within the crop year.

## 13. Duties In The Event of Damage or Loss.

In addition to the requirements contained in section 14 (Duties In The Event of Damage or Loss) of the Basic Provisions, if you intend to claim an indemnity on any unit you also must give us notice not later than 72 hours after the earliest of:

- (a) The time you discontinue harvest of any acreage on the unit;
- (b) The date harvest normally would start if any acreage on the unit will not be harvested; or
- (c) The calendar date for the end of the insurance period.

## 14. 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 in each stage by the amount of insurance per acre for the final stage;
- (2) Multiplying each result in section 14(b)(1) by the percentage for the applicable stage (see section 3(d));
- (3) Total the results of section 14(b)(2);
- (4) Subtracting either of the following values from the result of section 14(b)(3):
  - (i) For other than catastrophic risk protection coverage, the total value of production to be counted (see section 14(c)); or
  - (ii) For catastrophic risk protection coverage, the result of multiplying the total value of production to be counted (see section 14(c)) by:
    - (A) Sixty percent for the 1998 crop year; or

(B) Fifty-five percent for 1999 and subsequent crop years; and

- (5) Multiplying the result of section 14(b)(4) by your share.
- (c) The total value of production to count from all insurable acreage on the unit will include:
- (1) Not less than the amount of insurance per acre for the stage for any acreage:
    - (i) That is abandoned;
    - (ii) Put to another use without our consent;
    - (iii) That is damaged solely by uninsured causes; or
    - (iv) For which you fail to provide acceptable production records;
  - (2) The value of the following appraised production will not be less than the dollar amount obtained by multiplying the number of boxes of appraised peppers by the minimum value per box shown in the Special Provisions for the planting period:
    - (i) Potential production on any acreage that has not been harvested the third time;
    - (ii) Unharvested mature bell peppers (unharvested production that is damaged or defective due to insurable causes and is not marketable will not be counted as production to count);
    - (iii) Production lost due to uninsured causes; and
    - (iv) Potential production on insured acreage that you intend to put to another use or abandon, if you and we agree on the appraised amount of production. Upon such agreement, the insurance period for that acreage will end when you put the acreage to another use or abandon the crop. If agreement on the appraised amount of production is not reached:
      - (A) We may require you to continue to care for the crop so that a subsequent appraisal may be made or the crop harvested to determine actual production (If we require you to continue to care for the crop and you do not do so, the original appraisal will be used); or
      - (B) You may elect to continue to care for the crop, in which case the amount of production to count for the acreage will be the harvested production, or our reappraisal if the crop is not harvested.
  - (3) The total value of all harvested production from the insurable acreage will be the dollar amount obtained by subtracting the allowable cost contained in the Special Provisions from the price received for each box of peppers (this result may not be less than the minimum value shown in the Special Provisions for any box of peppers), and multiplying this result by the number of boxes of peppers harvested. Harvested production that is damaged or

defective due to insurable causes and is not marketable, will not be counted as production to count.

#### 15. Written Agreements.

Designated terms of this policy may be altered by written agreement in accordance with the following:

- (a) You must apply in writing for each written agreement no later than the sales closing date, except as provided in section 15(e);
- (b) The application for a written agreement must contain all variable terms of the contract between you and us that will be in effect if the written agreement is not approved;
- (c) If approved, the written agreement will include all variable terms of the contract, including, but not limited to, crop type or variety, and premium rate;
- (d) Each written agreement will only be valid for one year (If the written agreement is not specifically renewed the following year, insurance coverage for subsequent crop years will be in accordance with the printed policy); and
- (e) An application for a written agreement submitted after the sales closing date may be approved if, after a physical inspection of the acreage, it is determined that no loss has occurred and the crop is insurable in accordance with the policy and written agreement provisions.

#### 16. Minimum Value Option.

(a) The provisions of this option are continuous and will be attached to and made a part of your insurance policy, if:

- (1) You elect either Option I or Option II of the Minimum Value Option on your application, or on a form approved by us, on or before the sales closing date for the initial crop year in which you wish to insure fresh market peppers under this option, and pay the additional premium indicated in the Actuarial Table for this optional coverage; and
- (2) You have not elected coverage under the Catastrophic Risk Protection Endorsement.

(b) In lieu of the provisions contained in section 14(c)(3), the total value of harvested production will be determined as follows:

- (1) If you selected Option I of the Minimum Value Option, the total value of harvested production will be as follows:
  - (i) For sold production, the dollar amount obtained by subtracting the allowable cost contained in the Special Provisions from the price received for each box of peppers (this result may not be less than the minimum value option price contained in the Special Provisions for any box of peppers), and multiplying this result by the number of boxes of peppers sold; and
  - (ii) For marketable production that is not sold, the dollar amount obtained by multiplying the number of boxes of such peppers on the unit by the minimum value shown in the

Special Provisions for the planting period (harvested production that is damaged or defective due to insurable causes and is not marketable will not be counted as production).

- (2) If you selected Option II of the Minimum Value Option, the total value of harvested production will be as provided in section 16(b)(1), except that the dollar amount specified in section 16(b)(1)(i) may not be less than zero.
- (c) 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 preceding the crop year for which the cancellation of this option is to be effective.