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HYBRID SEED RICE CROP INSURANCE STANDARDS HANDBOOK

2020 and Succeeding Crop Years

**RISK MANAGEMENT AGENCY
KANSAS CITY, MO 64133**

TITLE: Hybrid Seed Rice Crop Insurance Standards Handbook	NUMBER: FCIC-20280U
EFFECTIVE DATE: 2020 and succeeding crop years	ISSUE DATE: November 26, 2019
SUBJECT: Provides the underwriting procedures and instructions for administering the Hybrid Seed Rice insurance program.	OPI: Product Administration and Standards Division
	APPROVED: <i>/s/ Richard H. Flourney</i> Deputy Administrator for Product Management

REASON FOR ISSUANCE:

The Hybrid Seed Rice Crop Insurance Standards Handbook is being issued and effective for the Hybrid Seed Rice program available beginning with the 2020 crop year.

Changes pertaining to grammar, punctuation, deletions of unneeded words, corrections of reference numbers, formatting, etc., are not listed or marked.

Major changes: See changes or additions in text which have been highlighted. Three stars (***) identify information that has been removed.

1. **Paragraph 15:** Edited example by replacing Expected Area Yield with County Yield (yield data from RMA 2017 actuarials for Wharton County TX), removed “Projected Price”, and revised text to clarify “Price Election”
2. **Exhibit 2:** Deleted definitions for “Adjusted Yield” and “Expected Area Yield”; edited definitions for “Amount of Insurance Per Acre” and “County Yield” for clarity.
3. **Exhibit 5 (no. 6):** Removed “Projected Price”.

HYBRID SEED RICE CROP INSURANCE STANDARDS HANDBOOK

CONTROL CHART:

Hybrid Seed Rice Crop Insurance Standards Handbook							
	TP Page(s)	TC Page(s)	Text Page(s)	Exhibit Number	Exhibit Page(s)	Date	Directive Number
Insert	Entire Handbook						
Current Index	1-2	1-2	1-13	1-5	14-22	11-2019	FCIC-20280U

FILING INSTRUCTIONS:

This handbook is effective for the 2020 and succeeding crop years and is not retroactive to any prior crop year determinations.

**HYBRID SEED RICE CROP INSURANCE STANDARDS HANDBOOK
TABLE OF CONTENTS**

PAGE NO.

PART 1 GENERAL INFORMATION & RESPONSIBILITIES

1	General Information.....	1
2	Responsibilities.....	3
3	County Yield for Hybrid Seed Rice.....	3
4	Amount of Insurance	3
5-10	(Reserved)	

PART 2 HYBRID SEED RICE CROP PROVISIONS

11	Background Information.....	4
12	Yield Based Factor & Approved Yield Request.....	4
13	Eligibility	5
14	Acreage Reporting Guidelines.....	7
15	Premium Determination.....	8
16	Written Agreements.....	9
18-20	(Reserved)	

PART 3 PAYMENTS RULES

21	General Information.....	10
22	Qualifications for a Hybrid Seed Rice Payment.....	10
23-30	(Reserved)	

PART 4 PAYMENT CALCULATIONS

31	General Information.....	11
32	Payment Calculations – Dollar Value & Approved Yield Request.....	11
33-40	(Reserved)	

EXHIBITS

1	Acronyms & Abbreviations.....	13
2	Definitions	14
3	Approved Yield Process.....	18
4	Notice of Loss Process.....	20
5	Form Standards – Application.....	21

(RESERVED)

PART 1 GENERAL INFORMATION & RESPONSIBILITIES

1 General Information

A. Purpose & Objective

This handbook provides procedures for administering Hybrid Seed Rice (HSR) crop insurance coverage in accordance with the HSR Crop Provisions (CP); and supplements the CIH, GSH, LAM and HSR LASH. If there is a conflict between this handbook and the CIH, GSH, or the LAM, this handbook controls.

- (1) The HSR crop insurance policy is a Yield Based Dollar Amount of Insurance Plan. All provisions within the CIH for Yield Based Dollar Amount of Insurance Plans apply to HSR unless specifically identified in this handbook.
- (2) When the HSR CP application is accepted, the CP forms for HSR coverage are:
 - (a) CCIP Basic Provisions,
 - (b) 15-CCIP Farm Bill Amendment,
 - (c) Ineligibility Amendment, and
 - (d) Hybrid Seed Rice Crop Provisions (20-0080).
- (3) This HSR CISH provides specific information regarding the administration and underwriting of the HSR. All procedures, rules, and requirements for HSR will follow the procedures and provisions in the CIH, BP, and HSR CP, except for the differences indicated in this handbook.

B. Source of Authority

The HRS CP is a privately developed product that was submitted and approved under section 508(h) of the Federal Crop Insurance Act by the FCIC Board of Directors in May 2015. This handbook, in conjunction with other applicable handbooks, provides the FCIC approved procedures for administering the program.

C. Program Duration

The HSR CP is available beginning with the 2016 crop year and is authorized until terminated by the FCIC Board of Directors.

D. AIP Option to Offer

Because this is a product approved under Section 508(h) of the Federal Crop Insurance Act, AIPs are not required to offer the HSR CP to insureds. Accordingly, each AIP must determine whether they will offer the HSR CP in the designated approved areas. AIPs that elect to offer the program must offer it to all eligible producers in the approved areas and must administer the HSR CP according to the procedures in this handbook.

1 General Information (Continued)

E. Approved Area

The HSR CP is available only in states and counties where the actuarial documents designate the availability of HSR and the actuarial documents provide a premium rate for HSR CP.

F. Approved Insurable Crop

The crop insured by the HSR CP is rice having characteristics acceptable and appropriate for use as rice and shall be an appropriate rice hybrid provided by a seed company.

- (1) Only planted, flood irrigated acreage of female parent plants are insurable.
- (2) Standard planting practice for hybrid seed is required to be insurable. An example of a standard planting pattern practice for HSR is planting the male and female inbred in a planting pattern that is 30 continuous feet of female parent plants followed by 15 continuous feet of male parent plants.
- (3) Exclusion: Acreage planted to the male inbred line or other non-female crop is not insurable.

G. Applying for Hybrid Seed Rice

- (1) AIPs shall use the standard crop insurance application for the HSR CP. The application for HSR insurance uses the same processes as other hybrid seed insurance. Refer to exhibit 5 for application completion instructions.
- (2) The HSR Crop Provisions are available for CAT coverage.

H. Related Handbooks

The following table identifies handbooks related to the HSR Program.

Handbook	Relation/Purpose
CIH	Provides general (not crop-specific) underwriting process.
DSSH	Provides form standards and procedures for use in sale and service of crop insurance.
GSH	Provides general administrative procedures.
HSR LASH	Provides loss adjustment process specific to HSR.
LAM	Provides overall (not crop-specific) loss adjustment process.

2 Responsibilities

A. AIP

AIPs must use standards, procedures, methods and instructions as authorized by FCIC in the sale and service of crop insurance contracts. Each AIP is responsible for using FCIC-approved procedure. AIPs should report any program issues or concerns to the Product Administration and Standards Division (PASD) of RMA.

B. Insured

- (1) To be eligible for the HSR CP, insureds must elect the HRS CP on the application form by the appropriate SCD and comply with all terms and conditions of the BP and the HSR CP.
- (2) All production and acreage reports must be timely submitted by the applicable production and acreage reporting dates and shall include all HSR in the county.
- (3) Notice of damage or loss must be timely submitted according to the HSR policy. Refer to exhibit 4 for a list of responsibilities at the time of damage or loss.

C. Agent/AIP

- (1) The application for HSR insurance uses the same processes as other hybrid seed insurance. Refer to exhibit 5 for completion instructions.
- (2) The responsibility of the agent at the notification of damage or loss is to inform the AIP of the insured's filed notice of loss. Refer to exhibit 4 for a list of responsibilities at the time of damage or loss.

3 County Yield for Hybrid Seed Rice

Rice yields are established by RMA for each county and are used to calculate the amount of insurance. The Hybrid Seed Yield that applies at each coverage level is in the actuarial documents. The insured may elect a coverage level (associated yield), as well as a price election.

4 Amount of Insurance

- (1) The amount of HSR insurance is determined by a formula that uses the RMA established County Yield for rice as its foundation. The amount of insurance offered by HSR insurance approximates the dollar value of the female hybrid seed rice crop.
- (2) The insured must accurately report the acreage occupied by the female inbred line. A standard planting pattern practice of 30 continuous feet of female parent plants followed by 15 continuous feet of male parent plants results in 67 percent of the total acreage being occupied by the female inbred line. This is the concept underlying the determination of the amount of insurance.

5-10 (Reserved)

PART 2 HYBRID SEED RICE CROP PROVISIONS

11 Background Information

- (1) The HSR is available beginning with the 2016 crop year for states and counties listed in the actuarial documents. The HSR does not affect CIH and insurance determinations related to coverage and insurability of the underlying rice crop insured under the HSR CP.
- (2) HSR coverage is based on the standard flood irrigation practice, which is required. The insured must have the irrigation equipment, water supply, and use associated appropriate farm management practices to be eligible for HSR insurance.
- (3) The HSR is elected at the time of application or by the SCD for rice using standard application procedures. No later than the applicable ARD, the insured shall provide, or cause the seed company to provide on the insured's behalf, a copy of the applicable processor contract between the insured and the seed company to the AIP.
- (4) Standard acreage reporting procedures apply. In addition, the insured shall provide a copy of any waivers or amendments that are made to the processor contract within 30 days of the ARD.
- (5) Notices of damage or loss, loss adjustment, and HSR payments are determined on an individual unit basis following loss adjustment procedures contained in the HSR LASH.
- (6) Coverage under the HSR will attach when the HSR crop is planted. The insured crop will be HSR that is being grown under contract between a producer and a seed company.
- (7) No indemnity will be paid on a unit if the seed company fails to provide the RO with records requested to determine the dollar value per pounds of production for each hybrid within 30 days of the end of the insurance period (refer to exhibit 3).

12 Yield Based Factor & Approved Yield Request

- (1) RMA will calculate the required YBF for each seed company; (exhibit 4 in this document).
 - (a) Requests for actual production and expected yield data on the "Hybrid Seed Template" will be issued by the RMA RO to the seed company.
 - (b) The seed company will provide the actual production and the expected yields for all hybrid crosses to the RMA RO on the RMA RO issued "Hybrid Seed Template" within 30 days of the ARD.
- (2) The seed company completes and submits the "Hybrid Seed Template" to the RMA RO to initiate the approved yield request for each hybrid. RMA ROs will request additional information from the HSR companies as needed.

12 Yield Based Factor & Approved Yield Request (Continued)

- (3) RMA ROs will make available approved yields for the present crop year hybrid seed crosses to the AIP when requested by the AIP and available from RMA.

13 Eligibility

A. Insured's Eligibility

Failure to follow the following practices shall cause the HSR crop to be uninsurable. To be eligible for HSR coverage, insureds must:

- (1) be in an eligible county for HSR;
- (2) be insured under the BP and HSR CP; and
- (3) have adequate water and irrigation equipment to appropriately grow HSR;
- (4) have a processor contract with a seed company to produce HSR executed prior to ARD;
- (5) plant the HSR hybrid(s) that meet the seed company requirements; and
- (6) follow recognized HSR production practices as specified in the processor contract with the seed company.

B. Eligible Acreage

- (1) All insurable planted HSR acreage of insurable rice types must be insured in the county where the HSR is offered as specified in the actuarial documents.
- (2) The crop insured will be:
 - (a) all the female parent plants in the county in which the insured has a share, for which a premium rate is provided by the actuarial documents, and
 - (b) acreage planted for harvest as commercial HSR (not experimental or grow out) according to the requirements of the processor contract and the production management practices of the seed company; and
 - (c) all acreage planted to female parent plants unless exceptions are allowed by the SP; HSR shall not be:
 - (i) planted with a mixture of female and male parent seed in the same row;
 - (ii) planted for any purpose other than for commercial HSR (no experimental or grow out hybrids are insurable);
 - (iii) interplanted with another crop; or

B. Eligible Acreage (continued)

- (iv) planted into an established grass or legume.
 - (d) insurable when an instrument in the form of a “lease” under which the insured retains 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 processor contract. It will be treated as a contract under which the insured has an insurable interest in the crop.
- (3) Acreage planted to HSR under a flood irrigation system must have:
- (a) irrigation equipment that is well-maintained and in good working order; and
 - (b) a water source that is sufficient to meet the needs of the HSR crop.
- (4) Insurance coverage is not provided on acreage:
- (a) that is planted and occupied exclusively by male parent plants;
 - (b) not in compliance with the rotation requirements contained in the SP or, if applicable, required by the processor contract; or
 - (c) either the female or male parent plants are damaged before the final planting date and the AIP determines that the insured crop is practical to replant but it is not replanted.
- (5) Insurance coverage is not provided against loss of production because of:
- (a) the use of un-adapted, incompatible, or genetically deficient male or female parent plant seed;
 - (b) failure to follow the requirements stated in the processor contract and production management practices of the seed company;
 - (c) inadequate germination, even if resulting from an insured cause of loss, unless the insured has given the AIP notice of probable loss at least 15 days before the beginning of harvest if inadequate germination is anticipated on any unit; or
 - (d) failure to plant the male parent plant seed at a time or in a manner sufficient to assure adequate pollination of the female parent plants, unless the insured is prevented from planting the male parent plant seed by an insured cause of loss. Should the processor contract require multiple (more than one) plantings of male plants several days apart, insurance will still attach whenever at least one planting of male plants was planted in a timely manner, only if the processor agrees to accept the production with only one planting of male plants.

13 Eligibility (Continued)

C. Election

Prevented planted acreage is not insurable under the HSR. Coverage must be elected on the application on or before the applicable SCD for HSR in the eligible county.

D. Continuous Crop Provisions

The HSR is a continuous policy and will be in effect unless:

- (1) it is cancelled in writing by the insured on or before the applicable cancellation date for the effective crop year;
- (2) the HSR CP is terminated by the FCIC; or
- (3) it is determined by the AIP that the irrigation equipment is not adequate or in proper operating condition to meet the water source and application requirements for HSR production. This is a requirement within the processor contract.

14 Acreage Reporting Guidelines

A. Acreage Reporting

- (1) HSR insured acreage is reported by the acreage reporting date as shown in the applicable county actuarial document.
- (2) HSR male and female acreage for the unit and unique hybrid is reported to RMA separately on the acreage report and designated by the crop code “0080” contained in the actuarial documents.
 - (a) Male and Female acres are reported by the insured on the acreage report.
 - (b) Male acres are uninsurable; and are reported on the acreage report as uninsured acreage.
- (3) A statement by the insured is required on the acreage report to identify the amount of any minimum guaranteed payment provided by the insured’s processor contract with a seed company.
- (4) The amount of insurance must be reduced if there is a minimum guaranteed payment.
 - (a) Deduct any minimum guaranteed payment that is denominated in pounds from the yield that is used to establish the amount of insurance.
 - (b) If the minimum payment is stated in dollars, divide the amount by the price election.
 - (c) Round the result to the nearest whole pound and subtract it from the Hybrid Seed Yield.

14 Acreage Reporting Guidelines (Continued)

B. Unit Division

- (1) For a processor contract that stipulates a number of acres to be planted:
 - (a) in lieu of the definition of “basic unit” contained in the BP, a basic unit will consist of all acreage planted to the insured crop in the county that will be used to fulfill a processor contract;
 - (b) there will be no more than one basic unit for all production contracted with each processor contract;
 - (c) in accordance to section 12 of the HSR CP, all production from any basic unit in excess of the amount under contract will be included as production to count if such production is applied to any other basic unit for which the contracted amount has not been fulfilled; and
 - (d) in accordance with section 2(a) of the HSR CP, optional units may be established for acreage-based processor contracts if production records support such unit division.
- (2) Whole Farm, Enterprise and Multi-County Enterprise units are not applicable to HSR production.

15 Premium Determination

*** The price election is equal to the price election factor you select (maximum 1.00) multiplied by the established price (in the actuarial documents). The premium amount for HSR coverage is determined by multiplying the number of the insured acres of HSR by liability per acre, base premium rate, unit structure discount factor, optional rate factor, and multiple commodity adjustment factor.

Example:

*** Amount of Insurance per Acre Data:

***	County Yield	=	10,913 lb. per acre
***	Coverage Level Factor (for 75% coverage level)	=	1.00
***	Price Election	=	\$0.112 per lb.
***	Minimum Payment Quantity	=	\$0.00

*** Amount of Insurance per Acre:

*** Amount of Insurance per Acre = County Yield x Coverage Level Factor x Price Election - Minimum Payment Quantity

*** $\$1,222.25 = 10,913 \times 1.00 \times \$0.112 - \$0.00$

15 Premium Determination (Continued)

Example (continued)

Liability Amount per Acre Data: Insured Share = 1.00

Liability Amount per Acre:

$$\text{Liability Amount per Acre} = \text{Amount of Insurance per Acre} \times \text{Insured Share}$$
$$\$1,222.25 = \$1,222.25 \times 1.00$$

Premium Amount per Acre Data:

Base Premium Rate	= \$0.082
Unit Structure Discount Factor (basic unit)	= 0.90
Optional Rate Factor (H&F Exclusion)	= 1.00
Experience Factor (always 1)	= 1.00

Premium Amount per Acre:

Premium Amount per Acre = Liability Amount per Acre x Base Premium Rate x
Unit Structure Discount Factor x Optional Rate Factor x Experience Factor x
Multiple Commodity Adjustment Factor

$$\$90.18 = \$1,222 \times \$0.082 \times 0.90 \times 1.00 \times 1.00 \times 1.00$$

16 Written Agreements

No written agreements may be issued for HSR.

17-20 (Reserved)

PART 3 PAYMENT RULES

21 General Information

- (1) HSR payments will not be made on any HSR acreage that:
 - (a) is harvested before meeting the notice requirements contained in the HSR CP; and
 - (b) does not meet the eligibility requirements of the HSR CP.
- (2) In certain situations, producers may be granted approval from AIPs to leave one complete planting pattern in the field, which will be identified as a “strip,” if acreage is damaged and an adjuster cannot get to the insured in a timely fashion. In such cases the “strip” will be carried to harvest and the harvested production, with corresponding weight tickets and moisture adjusted to 12.5%, will be used for verification and validation of loss.

22 Qualifications for a Hybrid Seed Rice Payment

To qualify for a HSR payment, the HSR acreage must:

- (1) be eligible acreage;
- (2) be under a processor contract with a seed company; and
- (3) be planted to an approved rice hybrid from the seed company.

23-30 (Reserved)

PART 4 PAYMENT CALCULATIONS

31 General Information

The HSR payment calculation methodology is the same as contained in the HSR LASH and is applicable to HSR.

32 Payment Calculations – Dollar Value & Approved Yield Request

A. Dollar Value Per Pound

The dollar value per pound is calculated by the AIP at the time of loss. It is multiplied by the seed production to count to obtain the value of seed production used to calculate the indemnity. The dollar value per pound equals the amount of insurance (dollars) divided by the approved yield times the coverage level. A hybrid with one approved yield can have more than one dollar value per pound because the amounts of insurance may vary.

Dollar Value per Pound = Amount of Insurance (Dollars/Acre) divided by (Approved Yield (Pounds/Acre) x Coverage Level (%))

B. Approved Yield Request

The AIP must request approved yields from the RMA RO to determine HSR indemnities. Refer to exhibit 3 for approved yield issuance processes and exhibit 4 for loss notification processes. To calculate an approved yield for each insured hybrid cross the yield history for current and prior hybrid crosses must be obtained from the seed company.

- (1) Actual Yield Histories for Prior and Current Hybrid Crosses.
 - (a) Each year the seed company must timely report all actual yields for all hybrid crosses produced in the previous year and all expected yields for new hybrid crosses being produced in the current year on the “Hybrid Seed Template”.
 - (i) The Hybrid Seed Coordinator in the appropriate RMA RO requests this data on the “Hybrid Seed Template” in correspondence sent directly to HSR companies (see exhibit 3).
 - (ii) The “Hybrid Seed Template” report must be completed by the seed company; the report will identify the plant/facility location and practice for each hybrid cross identification within 30 days after the acreage reporting date (see exhibit 3).
 - (iii) From the reported data on the “Hybrid Seed Template” the RMA RO determines the YBF after the completed “Hybrid Seed Template” report is filed (see exhibit 3).

32 Payment Calculations – Dollar Value & Approved Yield Request (Continued)

B. Approved Yield Request (continued)

- (b) The calculated YBF is used to calculate approved yields when actual yield history is limited for a hybrid cross the seed company intends to produce.
 - (c) Yield information from the “Hybrid Seed Template” report and the YBF are used by the RMA RO to calculate the approved yield for each hybrid cross by seed company plant location for the current crop year (See paragraph 32.B.(2) below).
- (2) Issuance of Hybrid Approved Yields. RMA RO calculates and issues Approved Yields for hybrid crosses when:
- (a) The “Hybrid Seed Template Report” has been completed by an authorized seed company representative and submitted to RMA RO; and
 - (b) the YBF has been calculated from data supplied by the seed company by RMA RO. The YBF shall be calculated within 60 days of receipt of the “Hybrid Seed Template” from the seed company but not before the ARD.
- (3) The AIP receives the Approved Yields for the hybrids it insures through the RMA Regional Office Exceptions (ROE) application.

C. Hybrid Seed Rice Payment

The final amount of the HSR payment is determined by the procedures contained in the HSR LASH.

33-40 (Reserved)

Acronyms & Abbreviations

The following table provides the acronyms and abbreviations used in this handbook.

Approved Acronym/Abbreviation	Term
AIP	Approved Insurance Provider
APH	Actual Production History
BP	Basic Provisions
CAT	Catastrophic Risk Protection
CIH	Crop Insurance Handbook (FCIC-18010)
CISH	Crop Insurance Standards Handbook
CP	Crop Provisions
CRE	Commercial Rice Equivalent
DSSH	Document and Supplemental Standards Handbook
FCIC	Federal Crop Insurance Corporation
GSH	General Standards Handbook (FCIC-18190)
HSR	Hybrid Seed Rice
LAM	Loss Adjustment Manual (FCIC-25010)
LASH	Loss Adjustment Standards Handbook
RMA	Risk Management Agency
RO	RMA Regional Office
SCD	Sales Closing Date
SP	Special Provisions
YBF	Yield Based Factor

Definitions

*** Amount of insurance per acre means a dollar amount determined by multiplying county yield by coverage level factor and the price election you select, and subtracting any minimum guaranteed payment, not to exceed the total compensation specified in the processor contract. If your processor contract contains a minimum guaranteed payment that is stated in pounds, as hundredweights per acre, we will convert that value to dollars by multiplying it by the price election you selected.

Approved yield means, in lieu of the definition contained in the Basic Provisions, an amount FCIC determines to be representative of the yield that the female parent plants are expected to produce when grown under specific production practice. FCIC will establish the approved yield based upon records provided by the seed company and other information it deems appropriate.

Certified seed test means a warm germination test performed on clean seed according to specifications of the “Rules for Testing Seeds” of the Association of Official Seed Analysts.

Commercial hybrid seed rice means the offspring produced by crossing a male and female parent plant, each having a different genetic character. This offspring is the product intended for use by an agricultural producer to produce commercial field rice.

Condemned means the rejection of areas found unsuitable for harvest as seed line.

Contamination means the pollination of the seed line by other than the donor male line (self or outside source pollination).

Contour Field and Precision Graded Field means a field with an elevation change from one end of the field to another. Field will have internal levees surveyed at intervals recommended by agricultural experts.

*** County yield refers to an amount, contained in the actuarial documents, representing yield that a producer of hybrid seed rice would be expected to produce if the acreage had been planted to commercial field rice, adjusted (increased) by FCIC, as only production from female plants is insurable under the hybrid seed rice policy.

Coverage level factor means a factor contained in the Special Provisions to adjust the county yield for commercial field rice to reflect the higher value of hybrid seed rice; i.e., the elected coverage level divided by 75% or as determined by the FCIC.

Cross, Single means plants resulting from the crossing of two inbred lines.

Dollar value per pound means an amount that determines the value of any seed production to count. It is determined by dividing the amount of insurance per acre by the result of multiplying the approved yield by the coverage level percentage, expressed as a decimal.

Drying means a process of removing moisture from the hybrid seed rice (18-20% down to 12.5%) using low heat (95-100 degrees) and forced air in a 7-10 day process.

Definitions (Continued)

Female parent plants mean rice plants that are grown for the purpose of producing commercial hybrid seed rice and are male sterile.

Field run means commercial hybrid seed rice production before it has been screened or processed.

Flood Irrigation means intentionally covering the planted acreage with water and maintaining it at a proper depth throughout the growing season.

Flush means the practice of providing surface irrigation to a seeded rice field to enhance stand establishment and to prevent soil crusting.

Germination cold test means a seed evaluation process for determining potential field emergence under unfavorable conditions (7 days at 50 then 7 days at 77 degrees with light).

Germination warm test means a germination test for determining the percent germination producing normal seedlings under favorable conditions (warm, wet environment – 14 days at 77 degrees).

Good farming practices mean, in addition to the definition contained in the Basic Provisions, those practices required by the processor contract.

Harvest means combining, threshing or picking of the female parent plants to obtain commercial hybrid seed rice. A crop that is swathed before combining is not considered harvested.

Headed means the plant's head has emerged from the leaf sheath and is visible to the naked eye.

Heading means at least 50 percent of the crop has headed.

Hybrid means the name, number or code assigned to a specific genetic cross by the seed company or the Special Provisions for the insured crop in the county.

Hybrid Seed Rice means a product of crosses between two unrelated genetic lines (strains) of rice.

Inadequate germination means germination of less than 70 percent of the commercial hybrid seed rice as determined by using a certified warm seed test.

Inbred means a self-pollinated pure genetic line.

Isolation means an area required to be planted to either the donor male line or some crop other than rice to prevent genetic contamination of the seed line from wind-born pollen from neighboring fields.

Local market price means the cash price offered by buyers for any production from the female parent plants not considered commercial hybrid seed rice under the terms of this policy.

Definitions (Continued)

Male line means the male parent, pollen donor, or pollinator (which is not insurable).

Male parent plants mean rice plants grown for the purpose of pollinating female parent plants.

Male-sterile cytoplasm means plants which have a sterile gene that prevents the production of viable pollen.

Minimum guaranteed payment means a minimum amount (usually stated in dollars or pounds) specified in your processor contract that will be paid or credited to you by the seed company regardless of the quantity of seed produced.

Non-seed production means production that does not qualify as seed production because of inadequate germination of less than 70 percent or is not considered commercial hybrid seed rice under the terms of the policy.

Non-seed production to count means all rice not qualifying as seed because of insurable causes for which there is a market value.

Planted acreage means in addition to the definition contained in the Basic Provisions, the insured crop must be planted in the same manner as commercial rice unless otherwise provided by the Special Provisions.

Planting pattern means the arrangement of rows, bays, plots or strips of the male and female parent plants in a field. An example of a planting pattern for hybrid rice is 30 continuous feet wide of female parent plants followed by 15 continuous feet wide of male parent plants.

Pound means one pound avoirdupois of the insured crop.

Practical to replant means, in addition to the definition contained in the Basic Provisions, either the female or male parent plant. It will not be considered practical to replant unless production from the replanted acreage can be delivered under the terms of the processor contract, or the seed company agrees that it will accept the production from the replanted acreage.

Processor contract means a contractual agreement executed in writing between the hybrid seed rice crop producer and a seed company containing, at a minimum:

- (1) The producer's promise to plant and grow male and female parent plants, and to deliver all commercial hybrid seed rice produced from such female plants to the seed company;
- (2) The seed company's promise to purchase the commercial hybrid seed rice produced by the producer; and

Definitions (Continued)

- (3) Either a fixed price per unit of measure (per pound) of the commercial hybrid female seed rice or a formula to determine the value of such seed. Any formula for establishing the value must be based on data provided by a public third party that establishes or provides pricing information to the general public, based on prices paid in the open market (such as commodity futures exchanges), to be acceptable for the purpose of this policy.

Example: Grower A can receive a CRE up to 8,500 lbs./acre x current Arkansas Farm Bureau Weekly price + Loan Value based upon a 63/72 milling yield. 8,200 lbs. x \$6 premium + \$7.02 Loan Value.

Sample means, for the purpose of the certified seed test, at least three pounds of randomly selected field run rice seed for each type or hybrid of commercial hybrid seed rice grown on the unit.

Seed company means a business enterprise that possesses all licenses for marketing commercial hybrid seed rice required by the state in which it is domiciled or operates, and which possesses facilities with enough storage and drying capacity to accept and process the insured crop within a reasonable amount of time after harvest. If the seed company is the insured, it must also be a corporation.

Rogue means off-type plant or impurity.

Seed line means female parent plants (only insurable plants).

Seed production (seed production to count) means all seed produced by female parent plants with a germination rate of at least 70 percent as determined by a certified seed test.

Shatter means mature seeds that fall to the ground from excessive wind or other cause of damage.

Strip means one complete planting pattern of female acreage in the field that can be used to determine a loss.

Synch or Nick means the matching of the stages of development between the male lines (pollination) and the seed line (stigma receptivity) to insure proper pollination.

Treating means the application of a fungicide to protect seedlings during germination and emergence.

Type means hybrid seed rice grain parent plants.

Unit Structure Discount Factor means 10% discount for a basic unit.

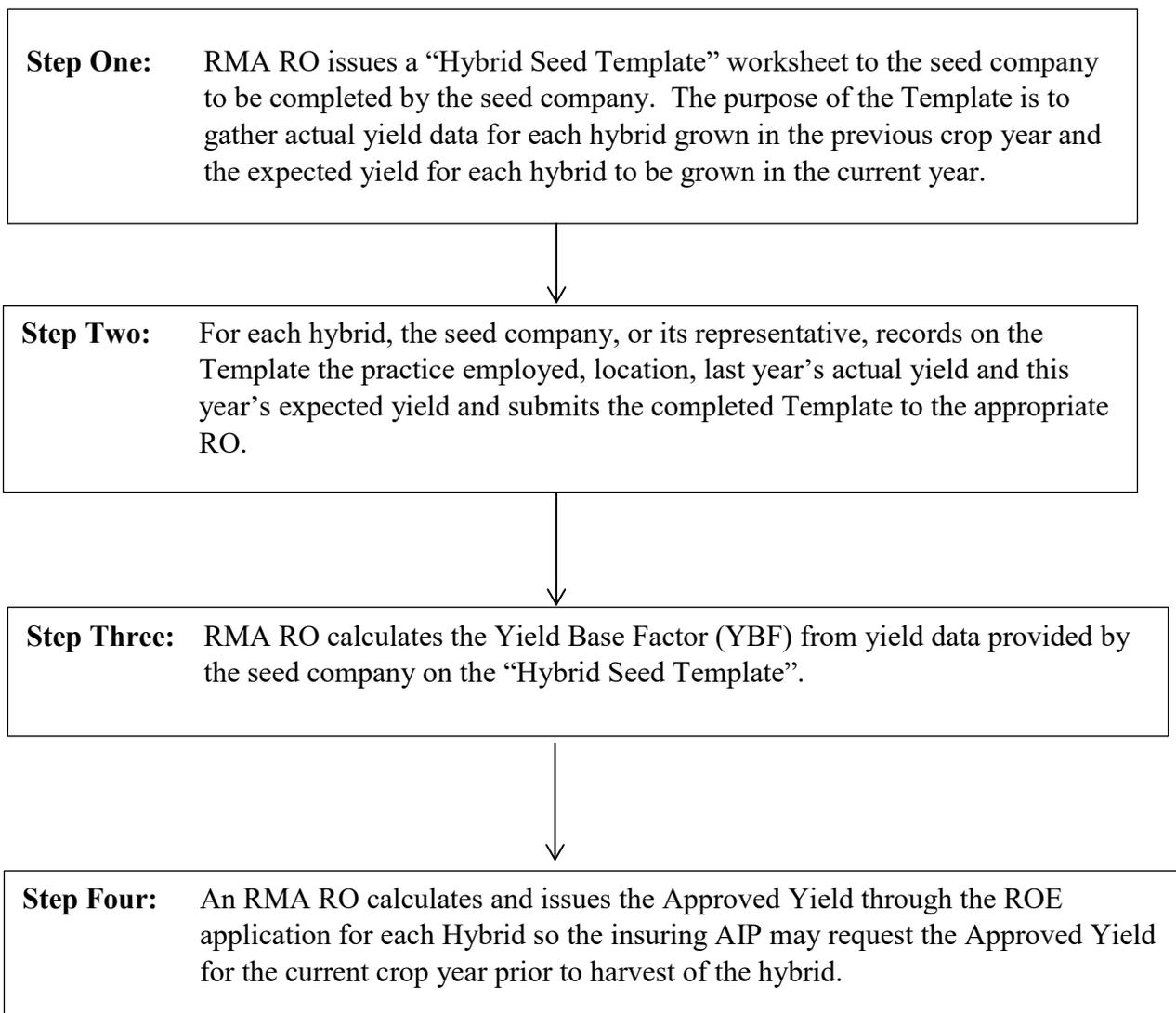
Yield-Based Factor is a factor, based on yield records provided by a seed company, which is used to determine the approved yield for a hybrid.

Zero grade field means a field with no change in elevation from one end of the field to another. Field will not have internal levees.

Approved Yield Process

Hybrid Seed Approved Yield Process

The following steps are used to arrive at the approved yield for hybrid seed.



Approved Yield Process (Continued)

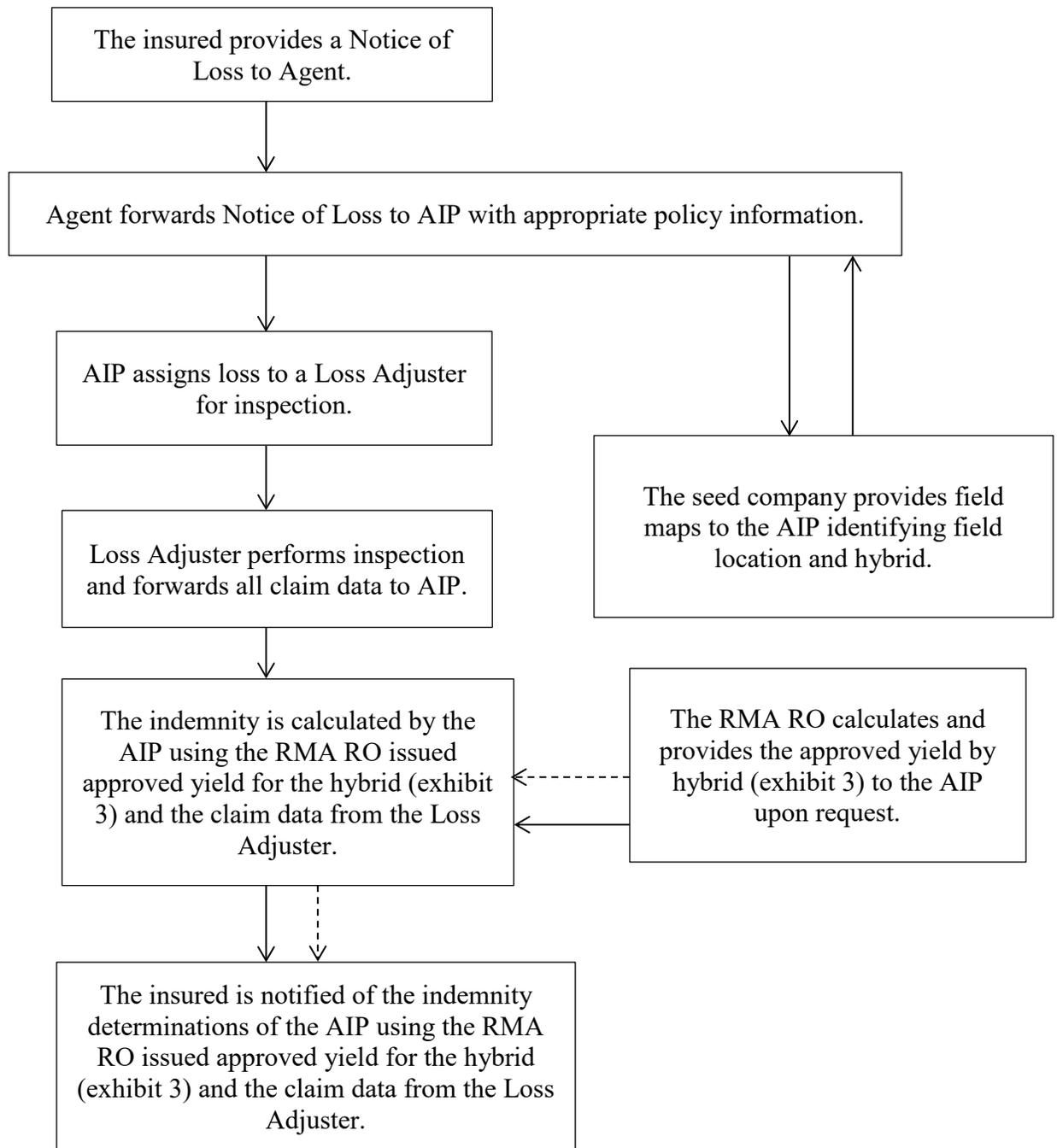
AIP Requesting an Approved Yield

The AIP completes and provides the following information to the appropriate RMA RO to obtain an approved yield for a hybrid as stated in Step Four of the Approved Yield Process.

<u>ELEMENT</u>	<u>REQUIRED INFORMATION ON HYBRID SEED APPROVED YIELD REQUEST</u>
<u>AIP</u>	Enter the name of the AIP making the Approved Yield request
<u>Commodity</u>	Enter the name of the hybrid seed crop being requested
<u>Seed Company</u>	Enter the seed company name and ID number
<u>Facility/Plant Location</u>	Enter the location of the hybrid seed plant or facility where the hybrid was or will be processed
<u>Hybrid Identification</u>	Enter the appropriate hybrid identification number or code

Notice of Loss Process

Notice of Loss Process: The dotted lines below indicate notice of loss and loss adjustment process. The solid lines indicate direct communication.



Form Standards - Application

Complete the crop insurance application as instructed by the AIP. The HSR Application shall be submitted to the AIP. To apply for HSR, verify or make the following entries on the insurance application:

Element/Item Number	Description
1. Crops	“Hybrid Seed Rice.”
2. Plan of Insurance / Coverage / & % of Price	Enter “Dollar Plan” and other appropriate information.
3. Insured County	Enter the appropriate information indicating the county where the hybrid seed rice is being grown and for which there is a rate in the county actuarial.
4. Plan Code	Enter plan code “0080” for HSR.
5. Coverage Level %	Enter the appropriate coverage level percent.
*** 6. Amount of Insurance	Enter the calculated dollars of coverage for hybrid seed rice.
7. For New Policies Only / Hail Plan	Enter the appropriate crop hail plan number here when the Hail and Fire exclusion is taken.
8. For New Policies Only / \$ Acre	Enter the dollar value of the crop hail coverage purchased for the indicated crop hail plan.
9. Remarks	Document any needed or necessary notes to support the application process for hybrid seed rice coverage.