

**SUMMARY OF CHANGES FOR THE
HYBRID SPECIALTY SEED PILOT CROP PROVISIONS
(2021-0093)**

The following is a brief description of changes to the Hybrid Specialty Seed Pilot Crop Provisions (formerly called Hybrid Sweet Corn Seed Crop Provisions) that will be effective for the 2021 and succeeding crop years. Please refer to the Crop Provisions for more complete information.

- A technical correction was issued in December 2020, to replace “amount of insurance guarantee” with “guarantee” in section 12(b).
- Changed the name of the Crop Provisions from Hybrid Sweet Corn Seed to Hybrid Specialty Seed.
- Added a definition of guarantee which is distinct from the definition of the amount of insurance.
- Clarified the definition of the amount of insurance per acre.
- Changed the definition of the hybrid sweet corn seed to hybrid specialty seed and added hybrid popcorn seed as an insurable crop under the policy in addition to hybrid sweet corn seed.
- Replaced the term “hybrid sweet corn seed” with the term “hybrid specialty seed” throughout the Crop Provisions.
- Removed the references to ‘commercial’ hybrid sweet corn seed and replaced with hybrid specialty seed.
- Updated the indemnity examples
- Removed all references to the approved yield process and the dollar value per pound which had previously been calculated through the approved yield process. The contract price will be the basis for calculating the guarantee and the production to count.

**UNITED STATES DEPARTMENT OF AGRICULTURE
Federal Crop Insurance Corporation
HYBRID SPECIALTY SEED (PILOT) CROP PROVISIONS**



1. Definitions

Amount of insurance per acre – The guarantee minus any minimum guaranteed payment.

Certified seed test – A warm germination test on clean seed according to specifications of the "Rules for Testing Seeds" of the Association of Official Seed Analysts.

Clean seed – Hybrid specialty seed which has been conditioned by the processor.

Condition – A process to remove the husk, chaff, immature and undersized seeds, weed seeds, inert matter, other crop seeds, and other materials from the field-run production to the extent such removal is possible and subsequently drying the hybrid specialty seed.

Contract price – The price per pound of clean conditioned specialty seed stipulated on the hybrid specialty seed processor contract without regard to discounts or incentives.

Contract value – The total compensation specified in the hybrid specialty seed processor contract. Determined by multiplying the dollar price per pound or price per kilogram times the expected yield per acre stated in the seed company contract.

County yield – An amount contained in the actuarial documents that is established by FCIC to represent the yield that a producer of hybrid specialty seed would be expected to produce per acre.

Female parent plants – Specialty seed plants that are grown for the purpose of producing hybrid specialty seed and have had the stamens removed or are otherwise male sterile.

Field-run – Hybrid specialty seed production before it has been conditioned.

Good farming practices – In addition to the definition contained in the Basic Provisions, good farming practices include those practices required by the hybrid specialty seed processor contract.

Guarantee – The dollar amount determined by multiplying the county yield by the price election and multiplying the result by the coverage level percentage you elected, not to exceed the contract value multiplied by the coverage level percentage you elected.

Harvest – Combining, threshing, or picking ears from the female parent plants to obtain hybrid specialty seed.

Hybrid specialty seed – 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 a grower to produce a commercial crop of:

(a) Hybrid sweet corn seed; or

(b) Hybrid popcorn seed.

Hybrid specialty seed processor contract – A legal contractual written agreement executed between a hybrid specialty seed producer and a seed company containing, at a minimum:

(a) The producer's promise to plant and grow male and female parent plants and to deliver all field-run hybrid specialty seed produced from such plants to the seed company;

(b) The seed company's promise to purchase the hybrid specialty seed produced by the producer; and

(c) A stated total expected value; total compensation; expected yield and price per unit; or other method to derive a total expected value that will be paid to the producer for the production as specified in the hybrid specialty seed processor contract or contract addenda (excluding any incentives or overproduction compensation that may apply) for the conditioned hybrid specialty seed variety.

Inadequate germination – Germination that is less than required in the hybrid specialty seed processor contract as determined using a certified seed test. Inadequate germination does not include circumstances when the processor accepts and pays at least the base contract price for seed at a germination percentage lower than the requirement specified in the commercial seed processor contract.

Insurable interest – Your share of the financial loss that occurs in the event seed production is damaged by a cause of loss specified in section 10.

Male parent plants – Specialty seed plants grown for the purpose of pollinating the female parent plants.

Minimum guaranteed payment – A minimum amount (often stated in dollars) specified in your hybrid specialty seed processor contract that will be paid or credited to you by the seed company regardless of the quantity of seed produced.

Planted acreage – In addition to the definition contained in the Basic Provisions, the insured crop must be planted in rows wide enough to permit mechanical cultivation, unless otherwise provided by the Special Provisions.

Planting pattern – The arrangement of the rows of male and female parent plants in a field. An example of a planting pattern is planting two consecutive rows of male parent plants and then four consecutive rows of female parent plants.

Pound – A unit of weight equal to 16 ounces avoirdupois.

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

Prevented planting – In addition to the definition contained in the Basic Provisions, prevented planting applies to the female and male parent plants. The male parent plants must be planted in accordance with the requirements of the hybrid specialty seed processor contract to be considered planted.

Sample – For the purpose of the certified seed test, at least 3 pounds of randomly selected field-run shelled hybrid specialty seed for each variety of hybrid specialty seed grown on the unit.

Seed company – A business enterprise that possesses all licenses for marketing hybrid specialty seed required by the state in which it is domiciled or operates, or a food company that offers hybrid specialty seed processor contracts, and which possesses, or has contractual access to, facilities with enough drying and storage 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.

Seed production – All conditioned seed produced by female parent plants of appropriate dryness and size, with a germination rate specified in the hybrid specialty seed processor contract as determined using a certified seed test. Accepted production with inadequate germination that is paid at less than the base contract price shall also be included and expressed in a good seed equivalent weight.

Shelled specialty corn – Hybrid sweet corn or hybrid popcorn kernels that have been removed from the cob.

Variety – The name, number, or code assigned to a specific genetic cross by the seed company or as listed in the Special Provisions for the insured crop in the county.

2. Unit Division

- (a) In lieu of the definition of “basic unit” contained in the Basic Provisions, a basic unit will consist of all acreage planted to the insured crop in the county that will be used to fulfill a hybrid specialty seed processor contract or contract addenda;
- (b) There will be no more than one basic unit for all production contracted with each processor contract or contract addenda;
- (c) In accordance with section 12, 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) Provisions in the Basic Provisions that allow optional units by section, section equivalent or FSA farm number and by irrigated and non-irrigated practices are not applicable.
- (e) The enterprise and whole farm unit provisions in the Basic Provisions are not applicable.

3. Insurance Guarantees, Coverage Levels, and Prices

- (a) In addition to the requirements of section 3 of the Basic Provisions, you may select only one price election and coverage level for each crop grown in the county insured under this policy unless the Special Provisions provide different price elections by variety, in which case you may select one price election for each hybrid specialty seed variety designated in the Special Provisions. The price election you choose for each variety must have the same percentage relationship to the maximum price offered by us for each variety. For example, if you choose 100 percent of the maximum price election for one specific variety, you must also choose 100 percent of the maximum price election for all other varieties.
- (b) The production reporting requirements contained in section 3 of the Basic Provisions are not applicable to this contract.

4. Contract Changes

In accordance with section 4 of the Basic Provisions, the contract change date is November 30 preceding the cancellation date.

5. Cancellation and Termination Dates

In accordance with section 2 of the Basic Provisions, the cancellation and termination dates are March 15.

6. Report of Acreage

In addition to the requirements of section 6 of the Basic Provisions, you must:

- (a) Report by type and variety, the location and insurable acreage of the insured crop;
- (b) Report any acreage, including that portion of the total acreage occupied by male parent plants; and
- (c) Provide a copy of all hybrid specialty seed contracts and any minimum guaranteed payments, if applicable.

7. Insured Crops

- (a) In accordance with section 8 of the Basic Provisions, the crops insured will be all the female and male parent plants in the county of each hybrid specialty seed you elect to insure for which a premium rate is provided by the actuarial documents:
 - (1) In which you have a share;
 - (2) That are grown under a hybrid specialty seed processor contract executed and provided on or before the acreage reporting date;

- (3) That are planted for harvest as hybrid specialty seed in accordance with the requirements of the hybrid specialty seed processor contract and the production management practices of the seed company;
- (4) That are irrigated; and
- (5) That are not (unless allowed by the Special Provisions):
 - (i) Planted with a mixture of female and male parent seed in the same row;
 - (ii) Planted for any purpose other than for hybrid specialty seed production;
 - (iii) Interplanted with another crop; or
 - (iv) Planted into an established grass or legume.
- (b) 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 hybrid specialty seed contract will be treated as a contract under which you have an insurable interest in the crop.
- (c) A hybrid specialty seed producer who is also a seed company may be able to insure the hybrid specialty seed crop if the following requirements are met:
 - (1) The seed company has an insurable interest in the hybrid specialty seed crop;
 - (2) Prior to the sales closing date, the Board of Directors of the seed company has executed and adopted a corporate resolution that contains the same terms as a hybrid specialty seed contract. This corporate resolution will be considered a contract under this policy;
 - (3) Sales records for at least the previous year's seed production must be provided to confirm that the seed company has produced and sold seed. If such records are not available, the crop may not be insured; and
 - (4) Our inspection reveals that the drying, conditioning and storage facilities satisfy the definition of a seed company.
- (d) Any of the insured crop that is under contract with different seed companies may be insured under separate policies with different insurance providers provided all acreage of the insured crop in the county is insured. If you elect to insure the insured crop with different insurance providers, you agree to pay separate administrative fees for each insurance policy.

8. Insurable Acreage

In addition to the provisions of section 9 of the Basic Provisions, we will not insure any acreage of the insured crop:

- (a) Planted and occupied exclusively by male parent plants;

- (b) Not in compliance with the rotation requirements contained in the Special Provisions or, if applicable, required by the hybrid specialty seed processor contract; or
- (c) If either the female or male parent plants are damaged before the final planting date and we determine that the insured crop is practical to replant but it is not replanted.

9. Insurance Period

- (a) In addition to section 11 of the Basic Provisions, insurance attaches upon completion of planting of:
 - (1) The female parent plant seed on or before the final planting date designated in the Special Provisions, except as allowed in section 16 of the Basic Provisions; and
 - (2) The male parent plant seed.
- (b) In accordance with section 11 of the Basic Provisions, the calendar date for the end of the insurance period is the October 31 immediately following planting, unless otherwise specified in the Special Provisions.

10. Causes of Loss

- (a) In accordance with section 12 of the Basic Provisions, insurance is provided only against the following causes of loss that occur within the insurance period:
 - (1) Adverse weather conditions;
 - (2) Fire;
 - (3) Wildlife;
 - (4) Earthquake;
 - (5) Volcanic eruption;
 - (6) Failure of the irrigation water supply, if due to a cause of loss contained in section 10(a)(1) through (5) that occurs during the insurance period;
 - (7) Insects, but not damage due to insufficient or improper application of pest control measures; or
 - (8) Plant disease, but not damage due to insufficient or improper application of disease control measures.
- (b) In addition to the causes of loss excluded by section 12 of the Basic Provisions, we will not insure against any loss of production due to:
 - (1) The use of unadapted, incompatible, or genetically deficient male or female parent plant seed;
 - (2) Frost or freeze after the date established by the Special Provisions;
 - (3) Failure to follow the requirements stated in the hybrid specialty seed processor contract and production management practices of the seed company;
 - (4) Inadequate germination of harvested seed, even if resulting from an insured cause of loss, unless you have provided adequate notice as required by section 11(b)(1); or
 - (5) 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 you are prevented from planting the male parent plant seed by an insured cause of loss.

11. Duties in the Event of Damage or Loss

- (a) In accordance with the requirements of section 14 of the Basic Provisions, you must leave representative samples of at least three complete planting patterns of the female and male parent plant rows that extend the entire length of each field in the unit. If you intend to destroy any acreage of the insured crop that will not be harvested, the samples must not be destroyed until after our inspection.
- (b) In addition to the requirements of section 14 of the Basic Provisions:
- (1) You must give us notice of probable loss at least 15 days before the beginning of harvest if you anticipate inadequate germination on any unit; and
 - (2) You must provide a completed copy of your hybrid specialty seed processor contract unless we have determined it has already been provided by the seed company, and the seed company certifies that such contract is used for all its growers without any waivers or amendments.

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 for any basic units, we will allocate any commingled production to such units in proportion to our liability on the harvested acreage for the units.
- (b) In the event of loss or damage covered by this policy, we will settle your claim on any unit by:
- (1) Multiplying the insured acreage by its respective guarantee, by type and variety if applicable;
 - (2) Totaling the results of section 12(b)(1) if there are more than one type or variety;
 - (3) Multiplying the total seed production to count for each type and variety of hybrid specialty seed by the applicable contract price for that type or variety;
 - (4) Totaling the results of sections 12(b)(3);
 - (5) Subtracting the result of section 12(b)(3) from the result of section 12(b)(1) if there is only one type or variety, or subtracting the result of 12(b)(4) from the result of section 12(b)(2) if there is more than one type or variety; and
 - (6) Multiplying the result of section 12(b)(5) by your share.
 - (7) Indemnity payment will be the lesser of results from step 12(b)(6) or the amount of insurance.

Example 1: (No Minimum Payment)

You have a 100 percent share in 20 acres (female and male) of hybrid specialty seed insured in the

unit, with a county yield of 1,250 pounds per acre multiplied by a price election of \$2.30 per pound times a coverage level of 0.75 for the 75 percent coverage level equals \$2,156 per acre. The stated amount in your seed contract of variety "A" hybrid specialty seed is \$2.40 x 1,300 planned pounds per acre of production totals \$3,120 per acre multiplied by the coverage level of 0.75 totals \$2,340. Your guarantee is the lesser of \$2,156 and \$2,340.

Your production to count was 8,000 pounds. Your indemnity would be calculated as follows:

- (1) 20 acres x \$2,156 = \$43,120 guarantee;
- (2) 8,000 pounds x \$2.40 = \$19,200 value of seed production;
- (3) \$43,120 - \$19,200 = \$23,920; and
- (4) \$23,920 x 100 (percent share) = \$23,920 indemnity payment.

Example 2: (\$1,000 minimum payment per acre)

You have a 100 percent share in 20 acres (female and male) of hybrid specialty seed insured in the unit, with a county yield of 1,250 pounds per acre multiplied by a price election of \$2.30 per pound times a coverage level of 0.75 for the 75 percent coverage level equals \$2,156. The stated amount in your seed contract of variety "A" hybrid specialty seed is \$2.40 x 1,300 planned pounds of production totals \$3,120 per acre multiplied by the coverage level of 0.75 totals \$2,340. Your guarantee per acre is the lesser of \$2,156 and \$2,340. Your total minimum payment is \$1,000 per acre times 20 acres = \$20,000.

Your production to count was 8,000 pounds. Your indemnity would be calculated as follows:

- (1) 20 acres x \$2,156 = \$43,120 guarantee;
- (2) The indemnity payment will be capped at the total guarantee minus the total minimum payment (\$43,120-\$20,000= \$23,120).
- (3) 8,000 pounds x \$2.40 = \$19,200 value of seed production;
- (4) \$43,120 - \$19,200 = \$23,920; and
- (5) \$23,920 x 100 (percent share) = \$23,920 indemnity payment.
- (6) The indemnity is the lesser of (2) \$23,120 and (5) \$23,920. The indemnity is \$23,120.

Example 3: (Guarantee based on contract value)

You have a 100 percent share in 20 acres (female and male) of hybrid specialty seed insured in the unit, with a county yield of 1,250 pounds per acre multiplied by a price election of \$2.30 per pound times a coverage level of 0.75 for the 75 percent coverage level equals \$2,156. The stated amount in your seed contract of variety "A" hybrid specialty seed is \$2.20 x 1,200 planned pounds of production totals \$2,640 per acre multiplied by the coverage level of 0.75 totals \$1,980. Your

guarantee is \$1,980 the lesser of \$1,980 and \$2,156.

Your production to count was 8,000 pounds. Your indemnity would be calculated as follows:

- (1) 20 acres x \$1,980 = \$39,600 guarantee;
- (2) 8,000 pounds x \$2.20 = \$17,600 value of seed production;
- (3) \$39,600 - \$17,600 = \$22,000; and
- (4) \$22,000 x 100 (percent share) = \$22,000 indemnity payment.

(c) Production to be counted as seed production will include:

- (1) All appraised production as follows:
 - (i) Not less than the amount of insurance per acre for acreage:
 - (A) That is abandoned;
 - (B) Put to another use without our consent;
 - (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) Mature unharvested production with a germination rate specified in the hybrid specialty seed processor contract and determined using a certified seed test. Any such production may be adjusted in accordance with section 12(d);
 - (iv) Immature appraised production;
 - (v) 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) 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 locations acceptable to us. (The amount of production to count for such acreage will be based on the harvested production or appraisals from the samples at the time harvest 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 occurs and the crop is not harvested; and

(2) All harvested production of clean seed.

- (d) For the purpose of determining the quantity of harvested clean hybrid specialty seed production, use the records of the seed company, provided that the moisture and weight of such production are calculated on the same basis as that used to determine the guarantee.

13. Prevented Planting

Your prevented planting coverage will be 50 percent of your amount of insurance for timely planted acreage. If you have additional levels of coverage as specified in 7 CFR part 400, subpart T, and pay an additional premium, you may increase your prevented planting coverage to a level specified in the actuarial documents.

14. Written Agreements

The Written Agreement provisions of the Basic Provisions are not applicable.