

SUMMARY OF CHANGES FOR THE SUGARCANE CROP PROVISIONS
(21-0038)

(Released June 2020)

The following is a brief description of changes to the Sugarcane Crop Provisions that will be effective for the 2021 crop year. Please refer to the Sugarcane Crop Provisions for more complete information.

Section 2 - Insurance Guarantees, Coverage Levels, and Prices for Determining Indemnities

- Revised the crop years within the examples.
- Added provisions indicating how Actual Production History will be determined for acreage that is cut for seed when 100 percent of the unit is cut for seed.

Section 5 – Insured Crop

- Removed the phrase "in writing" to avoid a misinterpretation that a written agreement is required.
- Revised the provision to clarify a determination must be made for insurability of the crop.

Section 7 – Insurance Period

- Removed the phrase "in writing" to avoid a misinterpretation that a written agreement is required.

Section 9 - Duties in the Event of Damage or Loss or Cutting the Sugarcane for Seed.

- Added provisions regarding the date by which acreage cut for seed must be reported.

Section 10 - Settlement of Claim

- Revised the entries within the example to update to the current rounding rules.

UNITED STATES DEPARTMENT OF AGRICULTURE
Federal Crop Insurance Corporation
SUGARCANE CROP PROVISIONS



1. Definitions.

Crop year - The period within which the insured sugarcane is normally grown and designated by the calendar year in which the harvest of sugarcane normally begins in the county.

Harvest - Cutting and removing the mature sugarcane from the field.

Plant cane - The insured crop which grows from sugarcane stalks or sections of sugarcane stalks planted for harvest in one crop growing cycle from the time of planting.

Seed - Sugarcane stalks or sections of sugarcane stalks (commonly referred to as billets) planted to produce sugarcane.

Stubble cane - The insured crop which grows from underground nodes of sugarcane that was harvested the previous crop year.

Sugarcane - The grass, *Saccharum officinarum*, that is grown to produce sugar.

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

(a) In addition to the requirements of section 3 of the Basic Provisions, you may select only one price election for all the sugarcane in the county insured under this policy.

(b) Instead of reporting your sugarcane production for the previous crop year as required by subsection 3(f) of the Basic Provisions, there is a lag period of one year and you are required to report production from two crop years previously, e.g., 2019 crop year production must be reported by the production reporting date for the 2021 crop year.

(c) Beginning with the 2020 crop year, your production report for 2018 and succeeding years will include the amount of production from acreage that is cut for seed determined as follows:

(1) The number of acres cut for seed reported in accordance with section 9(c), multiplied by the amount of harvested or appraised production per acre from the remainder of the unit. For example, you have 75.0 insured acres in a unit, cut 5.0 acres for seed and produce 420,000 lbs. of sugar (6,000 lbs/harvested acre). In this example, 450,000 lbs. of production ((5.0 x 6,000) + 420,000) and 75.0 acres will be on your production report. If all the acreage in a unit is cut for seed, the approved yield for the unit will be used for the production report.; or

(2) If you did not report the amount of acreage cut for seed, no production from such acreage will be included on your production report. For example, you have 75.0 insured acres in a unit, cut 5.0 acres for seed and produce 420,000 lbs. of sugar (5,600 lbs/insured acre). In this example, 420,000 lbs. of production and 75.0 acres will be on your production report.

3. Contract Changes.

In accordance with section 4 of the Basic Provisions, the contract change date is:

- (a) April 30 in counties with a July 31 sales closing date; or
- (b) June 30 in counties with a September 30 sales closing date.

4. Cancellation and Termination Dates.

In accordance with section 2 of the Basic Provisions, the cancellation and termination dates are:

- (a) July 31 in counties with a July 31 sales closing date; or
- (b) September 30 in counties with a September 30 sales closing date.

5. Insured Crop.

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

- (1) In which you have a share;
- (2) That is grown for processing for sugar or for seed; and;
- (3) That is not interplanted with another crop, unless allowed by a written agreement.

(b) In addition to the crop listed as not insured in section 8(b) of the Basic Provisions, we will not insure any sugarcane:

- (1) That was damaged prior to the beginning of the insurance period unless the requirements in section 7(d) are met; or
- (2) That exceeds the age limitations (by variety, if applicable) contained in the Special Provisions, unless:
 - (i) Such sugarcane constitutes less than 10.0 percent of the acreage in the unit; or
 - (ii) We determine to insure such acreage provided the requirements in section 7(d) are met.

6. Insurable Acreage.

Section 9(a)(2)(iv) of the Basic Provisions is not applicable to the Sugarcane Crop Provisions.

7. Insurance Period.

(a) In addition to the provisions in section 11 of the Basic Provisions, insurance attaches:

- (1) For plant cane, on the later of the day we accept your application or at the time of planting;
- (2) For stubble cane, except as specified in section 7(a)(3), on:
 - (i) October 1 for the crop year your application for insurance is accepted or if the qualifications in section 7(a)(2)(ii) are not met; or
 - (ii) August 1 for any subsequent year provided insurance has been in force continuously with the same insurance provider since your application was accepted:
 - (A) If you have notified us of damage or if we determine damage occurred prior to the

time you submit an application for increased coverage, we will appraise the damaged acreage no later than 30 days after we receive your application and:

- (1) Accept the application for increased coverage if the crop can produce at least 90.0 percent of the yield used to determine the production guarantee;
- (2) Reduce the yield used to determine the production guarantee, provided you agree to the reduced yield; or
- (3) Deny your request for increased coverage if section 7(a)(2)(ii)(A)(1) or (2) is not applicable;

(B) If you cancel your policy by the cancellation date, no coverage will be provided and no premium will be due; and

(3) On April 30 for stubble cane specified in section 5(b)(2)(ii);

(b) With respect to any stubble cane acreage damaged before the beginning of the insurance period except that specified in section 5(b)(2)(ii), we will appraise the acreage and notify you of any reduction in the yield used to determine the production guarantee or deny insurance no later than 30 days after the beginning of the insurance period;

(c) With respect to stubble cane specified in section 5(b)(2)(ii), we will appraise the acreage and notify you of any reduction in the yield used to determine the production guarantee or deny insurance by April 30;

(d) If we determine the crop on any acreage specified in section 7(b) or 5(b)(2)(ii) can produce at least 90.0 percent of the yield used to determine the production guarantee, this yield will not be reduced;

(1) If we determine the crop on this acreage will not produce this amount, we will reduce the yield used to determine the production guarantee and insure such acreage, provided you agree to the reduced yield; or

(2) If we determine the crop on this acreage is damaged to the extent it will not produce 50.0 percent of yield used to determine the production guarantee, we will deny insurance on the acreage.

(e) In accordance with the provisions of section 11 of the Basic Provisions, the calendar date for the end of the insurance period is:

- (1) January 31 in Louisiana; and
- (2) April 30 in all other states.

8. Causes of Loss.

In accordance with the provisions of section 12 of the Basic Provisions, insurance is provided only against the following causes of loss which occur during the insurance period:

- (a) Adverse weather conditions;
- (b) Fire;
- (c) Insects, but not damage due to insufficient or improper application of pest control measures;
- (d) Plant disease, but not damage due to insufficient or improper application of disease control measures;
- (e) Wildlife;
- (f) Earthquake;

(g) Volcanic eruption; and

(h) Failure of the irrigation water supply, if applicable, due to an unavoidable cause of loss occurring within the insurance period.

9. Duties in the Event of Damage or Loss or Cutting the Sugarcane for Seed.

(a) In addition to your duties under section 14 of the Basic Provisions, in the event of damage or loss, all sugarcane stubble must remain intact for our inspection.

(b) In accordance with the requirements of section 14 of the Basic Provisions, if you initially discover damage to any insured crop within 15 days of, or during harvest, you must leave representative samples of the unharvested crop for our inspection. The representative samples of the unharvested crop must be at least 10 feet wide and extend the entire length of each field in the unit. The stubble must not be destroyed and the required samples must not be harvested until the earlier of our inspection or 15 days after harvest of the balance of the unit is completed.

(c) You must report the number of acres cut for seed by the subsequent crop year's acreage reporting date. You must include the unit number and the number of acres you harvested for seed. If you:

(1) Provide this report, the amount of production included on your production report and used to calculate any indemnity will be determined in accordance with sections 2(c)(1) and 10.

(2) Do not provide this report, acreage cut for seed will be considered to have been put to another use without our consent and the amount of production used to calculate the indemnity will be determined in accordance with section 10(c)(1)(i)(B). The amount of production included on your production report will be determined in accordance with section 2(c)(2).

10. Settlement of Claim.

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

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

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

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

(1) Multiplying the insured acreage by its respective production guarantee (per acre);

(2) Multiplying each result in section 10(b)(1) by the price election;

(3) Totalling the results in section 10(b)(2);

(4) Multiplying the total production to be counted as described in section 10(c) by the price election;

(5) Subtracting the result of section 10(b)(4) from the result of section 10(b)(3); and

(6) Multiplying the result in section 10(b)(5) by your share.

(c) The total production to count (in pounds of sugar) from all insurable acreage on the unit will include the following:

- (1) All appraised production as follows:
- (i) Not less than the production guarantee (per acre) for acreage:
 - (A) That is abandoned;
 - (B) Put to another use without our consent;
 - (C) Damaged solely by uninsured causes;
 - (D) For which you fail to provide records of production that are acceptable to us; or
 - (E) On which the sugarcane stubble is destroyed within 15 days after harvest is completed without our consent;
 - (ii) Production lost due to uninsured causes;
 - (iii) Unharvested production;
 - (iv) Production from acreage cut for seed as specified in section 9(c); and
 - (v) Potential production on insured acreage that you intend to put to another use or abandon and no longer care for, if you and we agree on the appraised amount of production. Upon such agreement, the insurance period for that acreage will end 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 you 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 from the insurable acreage (including production from acreage cut for seed as specified in section 9(c). Final records of sugar production will be used to determine the amount of production to count. Preliminary mill estimates will not be used.

(d) Example:

1. Approved Yield 6000 lbs.
2. Coverage level 70%
3. Production guarantee/ac. 4,200 lbs.
4. Insured acres 280.00
5. Price election \$0.1200
6. Share 1.0000
7. Harvested acres 280.00
8. Production to count 740,000 lbs.

The claim will be calculated as follows:

(1)	Insured Acres		Production Guarantee/A c. (lbs.)		Result 10(b)(1) (lbs).
	280.00	x	4,200	=	1,176,000
(2)	Result 10(b)(1) (lbs).		Price Election		Result 10(b)(2)
	1,176,000	x	\$0.1200	=	\$141,120
(3)	Total results of 10(b)(2)				Result 10(b)(3)
	141,120.00				\$141,120
(4)	Production to count (lbs)		Price Election		Result 10(b)(4)
	740,000	x	\$0.1200	=	\$88,800
(5)	Result 10(b)(3)		Result 10(b)(4)		Result 10(b)(5)
	\$141,120	-	\$88,800	=	\$52,320
(6)	Result 10(b)(5)		Share		Result 10(b)(6)
	\$52,320	x	1.0000	=	\$52,320

11. Late and Prevented Planting.

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