

SUMMARY OF CHANGES FOR THE CENTRAL AND SOUTHERN POTATO CROP PROVISIONS (09-0284)

The following is a brief description of changes to the crop provisions that will be effective for the 2009 crop year in Alabama; Arizona; all California counties except Humboldt, Modoc, and Siskiyou; Delaware; Florida; Georgia; Maryland; Missouri; New Jersey; all New Mexico counties except San Juan; North Carolina; Oklahoma; Texas; Virginia; and any other states or counties if allowed by the Special Provisions. Please refer to the crop provisions for more complete information.

The introductory text has been amended to exclude San Juan County, New Mexico, it has been included in the Northern Potato Crop Provisions. Language has been added to allow the inclusion of other states or counties to the Central and Southern Potato Crop Provisions if allowed by the Special Provisions.

The document priority provisions has been removed; this information is contained in the Basic Provisions.

Section 1

Added the definition for "Potato certified seed program".

Revised the definitions of "Certified seed" and "Grade inspection".

Section 3(b) – Revised the provision to specify the percent of price election used to determine the indemnity for unharvested production has been increased from 80 to 90 percent.

Section 3(c) – Clarified that potatoes lifted to the soil surface but are no longer cared for will receive the reduced price election.

Section 4(b) – Added counties with a cancellation date of January 31 to the list of counties that have a September 30 contract change date.

Section 5 – Changed the cancellation and termination dates for Delaware, Maryland, New Jersey, North Carolina and Virginia from December 31 to January 31. Removed San Juan County, New Mexico, from the March 15 Cancellation and Termination Dates (San Juan County is now under the Northern Potato Crop Provisions).

Section 9 – Revised end of insurance dates for North Carolina from July 15 to August 15, Virginia from July 25 to August 31, and removed San Juan County, New Mexico, from the states and counties that have an October 15 end of insurance date.

Section 10(b)(1) – Revised provision to be consistent with the language in the Northern Potato Crop Provisions.

Section 12(b) – Revised the examples to reflect the increase in the price election percentage for unharvested acreage.

Section 12(d)(1)(iv) – Clarified production to count from unharvested, appraised acreage, abandon acres, or acreage on which the producer ceases to provide further care, will be valued at the reduced price election. Provisions previously in section 12(d)(1)(v) have been combined in this section.

Section 12(e)(3) – Added a provision to specify the insurance provider must be notified of the intended use of the potatoes so that the appropriate U.S. standard will be applied.

Section 12(e)(6) – Revised the provisions to clarify potato lots that will not be considered marketable.

**UNITED STATES DEPARTMENT OF AGRICULTURE
Federal Crop Insurance Corporation
CENTRAL AND SOUTHERN POTATO CROP PROVISIONS**



These provisions will be applicable in: Alabama; Arizona; all California counties except Humboldt, Modoc, and Siskiyou; Delaware; Florida; Georgia; Maryland; Missouri; New Jersey; all New Mexico counties except San Juan; North Carolina; Oklahoma; Texas; and Virginia; and other states or counties if allowed by the Special Provisions.

1. Definitions.

Certified seed - Potatoes that were entered into the potato certified seed program and that meet all requirements for production to be used to produce a seed crop for the next crop year or a potato crop for harvest for commercial uses in the next crop year.

Discard - Disposal of production by you, or a person acting for you, without receiving any value for it.

Disposed - Any disposition of the crop including but not limited to sale or discard.

Grade inspection - An inspection in which samples of production are obtained by us, or a party approved by us, prior to the sale, storage, or disposal of any lot of potatoes, or any portion of a lot and the potatoes are evaluated and quality (grade) determinations are made by us, a laboratory approved by us, or a potato grader licensed or certified by the applicable State or the United States Department of Agriculture, in accordance with the United States Standards for Grades of Potatoes. The United States standards used to determine the quality (grade) deficiencies will be: for potatoes produced for chipping, the United States Standards for Grades of Potatoes for Chipping; for potatoes produced for processing, the United States Standards for Grades of Potatoes for Processing; for potatoes produced for seed, the United States Standards for Grades of Seed Potatoes; and for all other potatoes, the United States Standards for Grades of Potatoes. The quantity and number of samples required will be determined in accordance with procedure issued by FCIC.

Harvest - Lifting potatoes from within the soil to the soil surface.

Hundredweight - One hundred (100) pounds avoirdupois.

Lot - A quantity of production that can be separated from other quantities of production by grade characteristics, load, location or other distinctive features.

Planting period - The period of time between the calendar dates designated in the Special Provisions for the planting of spring-planted, summer-planted, fall-planted, or winter-planted potatoes.

Potato certified seed program - The state program administered by a public agency responsible for the seed certification process within the state in which the seed is produced.

Practical to replant - In lieu of the definition of "Practical to replant" contained in section one 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. It will not be considered practical to replant after the end of the late planting period, or the end of the planting period in which initial planting took place in counties for which the Special Provisions designates separate planting periods, unless replanting is generally occurring in the area.

2. Unit Division.

A basic unit, as defined in section 1 of the Basic Provisions, will be divided into additional basic units by planting period.

3. 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 potatoes in the county insured under this policy unless the Special Provisions provide different price elections by type. If the Special Provisions provide for different price elections by type, you may select one price election for each potato type designated in the Special Provisions. The price elections you choose for each type must have the same percentage relationship to the maximum price election offered by us for each type. For example, if you choose 100 percent of the maximum price election for one type, you must also choose 100 percent of the maximum price election for all other types.

(b) If the production from any acreage of the insured crop is not harvested, the price used to determine your indemnity will be 90 percent of your price election.

(c) The price election for unharvested acreage will apply to any acreage of potatoes damaged to the extent that similarly situated producers in the area would not normally care for the potatoes even if you choose to continue to care for or harvest them. Potatoes that are lifted to the soil surface and not removed from the field will also receive the price election for unharvested acreage.

4. Contract Changes.

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

(a) June 30 preceding the cancellation date for counties with a September 30 cancellation date;

(b) September 30 preceding the cancellation date for counties with a November 30, December 31, or January 31 cancellation date; and

(c) November 30 preceding the cancellation date for counties with a February 28 or March 15 cancellation date.

5. Cancellation and Termination Dates.

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

State and County

Pinellas, Hillsborough, Polk, Osceola, and

Dates

Brevard Counties, Florida, and all Florida counties lying south thereof. September 30

Arizona; all California counties; and all Texas counties except Bailey, Castro, Dallam, Deaf Smith, Floyd, Gaines, Hale, Hartley, Haskell, Knox, Lamb, Parmer, Swisher, and Yoakum. November 30

Alabama; Georgia; Missouri; and all Florida Counties except Pinellas, Hillsborough, Polk, Osceola, and Brevard Counties, Florida, and all Florida counties to the south thereof. December 31

Delaware; Maryland; New Jersey; North Carolina; and Virginia. January 31

Oklahoma; and Haskell and Knox Counties, Texas. February 28

Bailey, Castro, Dallam, Deaf Smith, Floyd, Gaines, Hale, Hartley, Lamb, Parmer, Swisher, and Yoakum counties, Texas; and all New Mexico counties except San Juan County. March 15

6. Annual Premium.

In lieu of the premium computation method contained in section 7 of the Basic Provisions, the annual premium amount (y) is computed by multiplying (a) the production guarantee by (b) the price election for harvested acreage, by (c) the premium rate, by (d) the insured acreage, by (e) your share at the time of planting, and by (f) any applicable premium adjustment factors contained in the actuarial documents ($a \times b \times c \times d \times e \times f = y$).

7. Insured Crop.

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

- (a) In which you have a share;
- (b) Planted with certified seed (unless otherwise permitted by the Special Provisions);
- (c) Planted for harvest as certified seed stock, or for human consumption, (unless specified otherwise in the Special Provisions);
- (d) That are not (unless allowed by the Special Provisions or by written agreement):
 - (1) Interplanted with another crop; or
 - (2) Planted into an established grass or legume.

8. Insurable Acreage.

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

- (a) Does not meet the rotation requirements contained in the Special Provisions for the crop; or
- (b) Is damaged before the final planting date or before the end of the applicable planting period in counties for which the Special Provisions designate separate planting periods, to the extent that similarly situated producers in the area would normally not further care for the crop, unless it is replanted or we agree that it is not practical to replant.

9. Insurance Period.

In accordance with the provisions of section 11 of the Basic Provisions, the calendar date for the end of the insurance period is the date immediately following planting as follows (exceptions, if any, for specific counties, varieties or types are contained in the Special Provisions):

- (a) July 15 in Missouri; and all Texas counties except Bailey, Castro, Dallam, Deaf Smith, Floyd, Gaines,

Hale, Haskell, Hartley, Knox, Lamb, Parmer, Swisher, and Yoakum.

- (b) July 25 in Arizona.
- (c) August 15 in North Carolina; Oklahoma; and Haskell and Knox Counties, Texas.
- (d) August 31 in Virginia.
- (e) In Alabama; California; Florida; and Georgia; the dates established by the Special Provisions for each planting period; and
- (f) October 15 in Bailey, Castro, Dallam, Deaf Smith, Floyd, Gaines, Hale, Hartley, Lamb, Parmer, Swisher, and Yoakum Counties, Texas; Delaware; Maryland; New Jersey; and all counties in New Mexico except San Juan.

10. Causes of Loss.

- (a) In accordance with the provisions of section 12 of the Basic Provisions, insurance is provided only against the following causes of loss which occur within the insurance period:
 - (1) Adverse weather conditions;
 - (2) Fire;
 - (3) Insects, but only if sufficient and proper pest control measures are used;
 - (4) Plant disease, but only if sufficient and proper disease control measures are used;
 - (5) Wildlife;
 - (6) Earthquake;
 - (7) Volcanic eruption; or
 - (8) Failure of the irrigation water supply, if caused by an insured peril that occurs during the insurance period (see section 10(a)(1) through (7)).
- (b) In addition to the causes of loss not insured against as contained in section 12 of the Basic Provisions, we will not insure against any loss of production due to:
 - (1) Damage that occurs or becomes evident after the end of the insurance period, including, but not limited to, damage that occurs or becomes evident in storage; or
 - (2) Causes, such as freeze after certain dates, as limited by the Special Provisions.

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 at least 10 feet wide and extending the entire length of each field in the unit if you are going to destroy any acreage of the insured crop that will not be harvested.
- (b) We must be given the opportunity to perform a grade inspection on the production from any unit for which you have given notice of damage.

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:
 - (1) For any optional units, we will combine all optional units for which acceptable production records were not provided; and
 - (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 (If there is unharvested acreage in the unit, the harvested and unharvested acreage will be determined separately);
- (2) Multiplying each result in section 12(b)(1) by the respective price election (The price election may be limited as specified in section 3.);
- (3) Totaling the results of section 12(b)(2);
- (4) Multiplying the total production to be counted of each type, if applicable, (see section 12(d)) by the respective price election;
- (5) Totaling the results of section 12(b)(4);
- (6) Subtracting the results of section 12(b)(5) from the result in section 12(b)(3); and
- (7) Multiplying the result of section 12(b)(6) by your share.

For example:

You have a 100 percent share in 100 harvested acres of potatoes in the unit, with a guarantee of 150 hundredweight per acre and a price election of \$4.00 per hundredweight. You are only able to harvest 10,000 hundredweight. Your indemnity would be calculated as follows:

- (1) 100 acres x 150 hundredweight = 15,000 hundredweight guarantee;
- (2) 15,000 hundredweight x \$4.00 price election = \$60,000.00 value of guarantee;
- (3) 10,000 hundredweight x \$4.00 price election = \$40,000.00 value of production to count;
- (6) \$60,000.00 - \$40,000.00 = \$20,000.00 loss; and
- (7) \$20,000.00 x 100 percent = \$20,000.00 indemnity payment.

You also have a 100 percent share in 100 unharvested acres of potatoes in the same unit, with a guarantee of 150 hundredweight per acre and a price election of \$3.60 per hundredweight. (The price election for unharvested acreage is 90.0 percent of your elected price election (\$4.00 x 0.90 = \$3.60.)) This unharvested acreage was appraised at 35 hundredweight per acre for a total of 3500 hundredweight as production to count. Your total indemnity for the harvested and unharvested acreage would be calculated as follows:

- (1) 100 acres x 150 hundredweight = 15,000 hundredweight guarantee for the harvested acreage, and 100 acres x 150 hundredweight = 15,000 hundredweight guarantee for the unharvested acreage;
- (2) 15,000 hundredweight guarantee x \$4.00 price election = \$60,000.00 value of guarantee for the harvested acreage, and 15,000 hundredweight guarantee x \$3.60 price election = \$54,000.00 value of guarantee for the unharvested acreage;
- (3) \$60,000.00 + \$54,000.00 = \$114,000.00 total value of guarantee;
- (4) 10,000 hundredweight x \$4.00 price election = \$40,000.00 value of production to count for the harvested acreage, and 3500 hundredweight x \$3.60 = \$12,600.00 value of production to count for the unharvested acreage;
- (5) \$40,000.00 + \$12,600.00 = \$52,600.00 total value of production to count;

- (6) \$114,000.00 - \$52,600.00 = \$61,400.00 loss; and
- (7) \$61,400.00 loss x 100 percent = \$61,400.00 indemnity payment.

- (c) The extent of any quality loss must be determined based on samples obtained no later than the time potatoes are placed in storage, if the production is stored prior to sale, or the date they are delivered to a buyer, wholesaler, packer, broker, or other handler if production is not stored.
- (d) The total production to count (in hundredweight) from all insurable acreage on the unit will include:
 - (1) All appraised production as follows:
 - (i) Not less than the production guarantee per acre for acreage:
 - (A) That is abandoned;
 - (B) That is put to another use without our consent;
 - (C) That is damaged solely by uninsured causes;
 - (D) From which any production is disposed of without a grade inspection; or
 - (E) For which you fail to provide acceptable production records;
 - (ii) Production lost due to uninsured causes;
 - (iii) Production lost due to harvest prior to full maturity. Production to count from such acreage will be determined by increasing the amount of harvested production by 2 percent per day for each day the potatoes were harvested prior to the date the potatoes would have reached full maturity. The date the potatoes would have reached full maturity will be considered to be 45 days prior to the calendar date for the end of the insurance period, unless otherwise specified in the Special Provisions. This adjustment will not be made if the potatoes are damaged by an insurable cause of loss, and leaving the crop in the field would either reduce production or decrease quality.
 - (iv) Unharvested production, including unharvested production on insured acreage you intend to put to another use or abandon, or acreage damaged by insurable causes and for which you cease to provide further care, 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 cease providing care for the crop. This unharvested production may be adjusted in accordance with section 12(e), and the value of all unharvested production will be calculated using the reduced price election determined in section 3(b). 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 price

used to determine the amount of any indemnity will be limited as specified in section 3 even if the representative samples are harvested. 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 from the insurable acreage determined in accordance with section 12(e).

(e) Only marketable lots of mature potatoes will be production to count for loss adjustment purposes, except for production specified in 12(e)(1):

(1) Production not meeting the standards for grading U.S. No. 2 due to external defects will be determined on an individual basis for all harvested and unharvested potatoes if we determine it is or would be practical to separate the damaged production;

(2) All determinations must be based upon a grade inspection; and

(3) Prior to any grade inspection, you must notify us of the intended use of the potatoes so the appropriate United States Standard will be applied (We may request previous sales records to verify your claimed intended use or base the intended use on the type of potato grown if such potatoes are not usually grown for the intended use you reported).

(4) Marketable lots of potatoes will include any lot of potatoes that is:

(i) Stored;

(ii) Sold as seed;

(iii) Sold for human consumption; or

(iv) Harvested and not sold or that is appraised if such lots meet the standards for grading U.S. No. 2 grade or better on a sample basis.

(5) Marketable lots will also include any potatoes that we determine:

(i) Could have been sold for seed or human consumption in the general marketing area;

(ii) Were not sold as a result of uninsured causes including, but not limited to, failure to meet chipper or processor standards for fry color or specific gravity; or

(iii) Were disposed of without our prior written consent and such disposition prevented our determination of marketability.

(6) Unless included in section 12(e)(4) or (5), a potato lot will not be considered marketable if, due to

insurable causes of damage, it:

(i) Is partially damaged, and is salvageable only for starch, alcohol, or livestock feed;

(ii) Does not meet the standards for grading U.S. No. 2 grade or better due to internal defects; or

(iii) Does not meet the standards for grading U.S. No. 2 grade or better due to external defects, and it is not practical to separate the damaged production.

13. Prevented Planting.

Your prevented planting coverage will be 25 percent of your production guarantee for timely planted acreage. If you have limited or additional 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.