

SUMMARY OF CHANGES FOR THE CANOLA AND RAPESEED CROP PROVISIONS (11-0015) (Released April 2010)

The following is a brief description of the changes to the Canola and Rapeseed Crop Provisions that will be effective for the 2011 crop year. Please refer to the Crop Provisions for complete information.

Either revenue protection or yield protection is available for canola and rapeseed (however, for rapeseed the harvest price will be set equal to the projected price so the producer will not have the benefit of price movement).

The paragraph immediately preceding section 1 that referred to the order of priority in the event of conflict has been removed. This information is contained in the Basic Provisions.

Section 3 – Revised to specify the producer must elect to insure canola or rapeseed with either revenue protection or yield protection by the sales closing date. Removed provisions regarding selection of prices. These provisions are contained in the Basic Provisions.

Section 5 – Revised to add Alabama to the cancellation and termination dates of September 30.

Section 7 – Revised to clarify when fall canola or fall rapeseed must be replanted to the fall type or the spring type. Also, added other provisions for clarification regarding spring and fall canola insurable acreage.

Section 8 – Revised to clarify the calendar date for the end of insurance period is October 31 of the calendar year in which the crop is normally harvested.

Section 9 – Revised to clarify that failure of the irrigation water supply that occurs during the insurance period is a covered cause of loss if such failure is due to a cause of loss specified in the Crop Provisions. Also, added a new section 9(i) to specify a change in the harvest price from the projected price is an insured cause of loss for revenue protection.

Section 10 – Revised to specify the actual cost for replanting is not considered when determining the amount of a replant payment. Also revised to specify replant payments will be calculated using the projected price and production guarantee for the crop type that is replanted and insured. A revised acreage report will be required to reflect the replanted type, if applicable.

Section 11- Revised to specify representative samples are required in accordance with section 14 of the Basic Provisions.

Section 12(a) - Revised to clarify that required records of production must be acceptable to the approved insurance provider for the acreage to qualify for unit division.

Section 12(b) - Revised to provide separate calculations for claims based on yield protection and revenue protection, and added examples.

Section 12(c)(1)(i) – Added provisions that specify appraised production for revenue protection will be not less than the amount of the production that when multiplied by the harvest price equals the revenue protection guarantee (per acre).

Section 12(d)(3) - Revised to incorporate the quality adjustment provisions previously contained in an amendatory endorsement.

Section 14 - Removed the reference to limited level of coverage.

UNITED STATES DEPARTMENT OF AGRICULTURE
Federal Crop Insurance Corporation
CANOLA AND RAPESEED CROP PROVISIONS



1. **Definitions.**

Canola - A crop of the genus *Brassica* as defined in accordance with the Official United States Standards for Grain - Subpart C - U.S. Standards for Canola.

Harvest - Combining or threshing for seed. A crop that is swathed prior to combining is not considered harvested.

Local market price (Canola) - The cash price per pound for U.S. No. 2 grade canola that reflects the maximum limits of quality deficiencies allowable for the U.S. No. 2 grade canola.

Planted acreage - In addition to the definition contained in the Basic Provisions, land on which seed is initially spread onto the soil surface by any method and subsequently is mechanically incorporated into the soil in a timely manner and at the proper depth will be considered planted. Acreage planted in any other manner will not be insurable unless otherwise provided by the Special Provisions, actuarial documents, or by written agreement.

Price of damaged production - The cash price per pound available if the production were sold for canola that qualifies for quality adjustment in accordance with section 12 of these crop provisions.

Rapeseed - A crop of the genus *Brassica* that contains at least 30 percent of an industrial type of oil as shown on the Special Provisions and that is measured on a basis free from foreign material.

Swathed - Severance of the stem and seed pods from the ground and placing into windrows without removal of the seed from the pod.

2. **Unit Division.**

In addition to optional units by section, section equivalent or FSA farm serial number and by irrigated and non-irrigated practices, optional units may be by type if the type is designated on the Special Provisions.

3. **Insurance Guarantees, Coverage Levels, and Prices for Determining Indemnities.**

In addition to the requirements of section 3 of the Basic Provisions:

- (a) You must elect to insure your canola and rapeseed with either revenue protection or yield protection by the sales closing date; and
- (b) In counties with both fall and spring sales closing dates for the insured crop:
 - (1) If you do not have any insured fall planted acreage of the insured crop, you may change your coverage level, or your percentage of projected price (if you have yield protection), or elect revenue protection or yield protection, until the spring sales closing date; or
 - (2) If you have any insured fall planted acreage of the insured crop, you may not change your

coverage level, or your percentage of projected price (if you have yield protection), or elect revenue protection or yield protection, after the fall sales closing date.

4. **Contract Changes.**

In accordance with section 4 of the Basic Provisions, the contract change date is November 30 preceding the cancellation date for counties with a March 15 cancellation date, and June 30 preceding the cancellation date for all other counties.

5. **Cancellation and Termination Dates.**

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

State and County	Cancellation and Termination Date
All counties in Alabama and Georgia	September 30
All other counties without fall planted types specified on the actuarial table	March 15
All other counties with fall planted types specified on the actuarial table	August 31

6. **Insured Crop.**

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

- (a) In which you have a share;
- (b) That is planted for harvest as seed; and
- (c) That is not, unless allowed by Special Provisions or by written agreement:
 - (1) Interplanted with another crop; or
 - (2) Planted into an established grass or legume.

7. **Insurable Acreage.**

In addition to the provisions of section 9 of the Basic Provisions:

- (a) We will not insure any acreage that does not meet the rotation requirements contained in the Special Provisions;
- (b) Whenever the Special Provisions designate only a fall final planting date, any acreage of canola or rapeseed damaged before such final planting date, to the extent that growers in the area would normally not further care for the crop, must be replanted to a fall type of the insured crop unless we agree that replanting is not practical;
- (c) Whenever the Special Provisions designate both fall and spring final planting dates:
 - (1) Any fall canola or rapeseed that is damaged before the spring final planting date, to the extent that growers in the area would normally not further care for the crop, must be

replanted to a fall type of the insured crop to maintain insurance based on the fall type unless we agree that replanting is not practical. If it is not practical to replant to the fall type of canola or rapeseed but is practical to replant to a spring type, you must replant to a spring type to keep your insurance based on the fall type in force; and

- (2) Any fall canola or rapeseed acreage that is replanted to a spring type of the same crop when it was practical to replant the fall type will be insured as the spring type and the production guarantee, premium, projected price, and harvest price applicable to the spring type will be used. In this case, the acreage will be considered to be initially planted to the spring type; and
- (d) Whenever the Special Provisions designate a spring final planting date, any acreage of spring canola or rapeseed damaged before such final planting date, to the extent that growers in the area would normally not further care for the crop, must be replanted to a spring type of the insured crop unless we agree that replanting is not practical; or
- (e) Whenever the Special Provisions designate only a spring final planting date, any acreage of fall planted canola or rapeseed is not insured unless you request such coverage on or before the spring sales closing date, and we determine in writing that the acreage has an adequate stand in the spring to produce the yield used to determine your production guarantee. However, if we fail to inspect the acreage by the spring final planting date, insurance will attach as specified in section 7(e)(3):
 - (1) Your request for coverage must include the location and number of acres of fall planted canola or rapeseed;
 - (2) The fall planted canola or rapeseed will be insured as a spring type for the purpose of the production guarantee, premium, projected price, and harvest price, if applicable;
 - (3) Insurance will attach to such acreage on the date we determine an adequate stand exists or on the spring final planting date if we do not determine adequacy of the stand by the spring final planting date;
 - (4) Any acreage of such fall planted canola or rapeseed that is damaged after it is accepted for insurance but before the spring final planting date, to the extent that growers in the area would normally not further care for the crop, must be replanted to a spring type of the insured crop unless we agree it is not practical to replant; and
 - (5) If fall planted acreage is not to be insured it must be recorded on the acreage report as uninsured fall planted acreage.

8. 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 October 31 of the calendar year in which the crop is normally harvested.

9. 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;
- (h) Failure of the irrigation water supply due to a cause of loss specified in sections 9(a) through (g) that also occurs during the insurance period; or
- (i) For revenue protection, a change in the harvest price from the projected price, unless FCIC can prove the price change was the direct result of an uninsured cause of loss specified in section 12(a) of the Basic Provisions.

10. Replanting Payment.

- (a) A replanting payment is allowed as follows:
 - (1) In lieu of provisions in section 13 of the Basic Provisions that limit the amount of a replant payment to the actual cost of replanting, the amount of any replanting payment will be determined in accordance with these Crop Provisions;
 - (2) Except as specified in section 10(a)(1), you must comply with all requirements regarding replanting payments contained in section 13 of the Basic Provisions;
 - (3) The insured crop must be damaged by an insurable cause of loss to the extent that the remaining stand will not produce at least 90 percent of the production guarantee for the acreage; and
 - (4) The replanted crop must be seeded at a rate sufficient to achieve a total (undamaged and new seeding) plant population that is considered appropriate by agricultural experts for the insured crop, type and practice.
- (b) Unless otherwise specified in the Special Provisions, the amount of the replanting payment per acre will be the lesser of 20 percent of the production guarantee or 175 pounds, multiplied by your projected price, multiplied by your share.
- (c) When the crop is replanted using a practice that is uninsurable for an original planting, the liability on the unit will be reduced by the amount of the replanting payment. The premium amount will not be reduced.

(d) If the acreage is replanted to an insured crop type that is different than the insured crop type originally planted on the acreage:

- (1) The production guarantee, premium, and projected price and harvest price, as applicable, will be adjusted based on the replanted type;
- (2) Replanting payments will be calculated using your projected price and production guarantee for the crop type that is replanted and insured; and
- (3) A revised acreage report will be required to reflect the replanted type, as applicable.

11. Duties In The Event of Damage or Loss.

Representative samples are required in accordance with section 14 of the Basic Provisions

12. Settlement of Claim.

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

- (1) Optional unit, we will combine all optional units for which acceptable records of production were not provided; or
- (2) Basic unit, we will allocate any commingled production to such units in proportion to our liability on the harvested acreage for each unit.

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

- (1) Multiplying the number of insured acres of each type, as applicable, by your respective:
 - (i) Yield protection guarantee (per acre) if you elected yield protection; or
 - (ii) Revenue protection guarantee (per acre) if you elected revenue protection;
- (2) Totaling the results of section 12(b)(1)(i) or 12(b)(1)(ii), whichever is applicable;
- (3) Multiplying the production to count of each type, as applicable, by your respective:
 - (i) Projected price if you elected yield protection; or
 - (ii) Harvest price if you elected revenue protection;
- (4) Totaling the results of section 12(b)(3)(i) or 12(b)(3)(ii), whichever is applicable;
- (5) Subtracting the result of section 12(b)(4) from the result of section 12(b)(2); and
- (6) Multiplying the result of section 12(b)(5) by your share.

For example:

You have 100 percent share in 50 acres of canola in the unit with a production guarantee (per acre) of 650 pounds, your projected price is \$.1220, your harvest price is \$.1110, and your production to count is 31,000 pounds.

If you elected yield protection:

- (1) 50 acres x (650 pound production guarantee x \$.1220 projected price) = \$3,965.00 value of the production guarantee
- (3) 31,000 pound production to count x \$.1220

projected price = \$3,782.00 value of the production to count

(5) $\$3,965.00 - \$3,782.00 = \$183.00$

(6) $\$183.00 \times 1.000 \text{ share} = \$183.00 \text{ indemnity};$
or

If you elected revenue protection:

(1) 50 acres x (650 pound production guarantee x \$.1220 projected price) = \$3,965.00 revenue protection guarantee

(3) 31,000 pound production to count x \$.1110 harvest price = \$3,441.00 value of the production to count

(5) $\$3,965.00 - \$3,441.00 = \$524.00$

(6) $\$524.00 \times 1.000 \text{ share} = \$524.00 \text{ indemnity}.$

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

(1) All appraised production as follows:

(i) For yield protection, not less than the production guarantee and for revenue protection, not less than the amount of production that when multiplied by the harvest price equals the revenue protection 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; or

(D) For which you fail to provide acceptable production records;

(ii) Production lost due to uninsured causes;

(iii) Unharvested production (mature unharvested production may be adjusted for quality deficiencies and excess moisture in accordance with section 12(d)); and

(iv) Potential production on insured acreage that you intend to put to another use or abandon, if you and we agree on the appraised amount of production. Upon such agreement, the insurance period for that acreage will end when you put the acreage to another use or abandon the crop. If agreement on the appraised amount of production is not reached:

(A) 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.
- (d) Mature canola may be adjusted for excess moisture and quality deficiencies. Mature rapeseed may be adjusted for excess moisture only. If moisture adjustment is applicable, it will be made prior to any adjustment for quality.
 - (1) Canola and rapeseed production will be reduced by 0.12 percent for each 0.1 percentage point of moisture in excess of 8.5 percent. We must be permitted to obtain samples of the production to determine the moisture content.
 - (2) Canola production will be eligible for quality adjustment if:
 - (i) Deficiencies in quality, in accordance with the Official United States Standards for Grain, result in the canola not meeting the grade requirements for U.S. No. 3 or better (U.S. Sample grade) because of kernel damage (excluding heat damage), or a musty, sour, or commercially objectionable foreign odor; or
 - (ii) Substances or conditions are present that are identified by the Food and Drug Administration or other public health organizations of the United States as being injurious to human or animal health.
 - (3) Quality will be a factor in determining your loss in canola production only if:
 - (i) The deficiencies, substances, or conditions resulted from a cause of loss against which insurance is provided under these Crop Provisions and which occurs within the insurance period;
 - (ii) The deficiencies, substances, or conditions result in a net price for the damaged production that is less than the local market price;
 - (iii) All determinations of these deficiencies, substances, or conditions are made using samples of the production obtained by us or by a disinterested third party approved by us;
 - (iv) With regard to deficiencies in quality, the samples are analyzed by:
 - (A) A grain grader licensed under the United States Grain Standards Act or

the United States Warehouse Act;

- (B) A grain grader licensed under State law and employed by a warehouse operator who has a storage agreement with the Commodity Credit Corporation; or
- (C) A grain grader not licensed under State law, but who is employed by a warehouse operator who has a commodity storage agreement with the Commodity Credit Corporation and is in compliance with State law regarding warehouses; and
- (v) With regard to substances or conditions injurious to human or animal health, the samples analyzed by a laboratory approved by us.
- (4) Canola production that is eligible for quality adjustment, as specified in sections 12(d)(2) and (3), will be reduced in accordance with the quality adjustment factors contained in the Special Provisions.
- (e) Any production harvested from plants growing in the insured crop may be counted as production of the insured crop on an unadjusted weight basis.

13. Late Planting.

In lieu of section 16(a) of the Basic Provisions, the production guarantee for each acre planted to the insured crop during the late planting period will be reduced by 1 percent per day for each day planted after the final planting date unless otherwise specified in the Special Provisions.

14. Prevented Planting.

Your prevented planting coverage will be 60 percent of your production guarantee for timely planted acreage. If you have additional coverage and pay an additional premium, you may increase your prevented planting coverage to the levels specified in the actuarial documents.