

**UNITED STATES DEPARTMENT OF AGRICULTURE  
Federal Crop Insurance Corporation  
QUARANTINE ENDORSEMENT PILOT**

If a conflict exists among the policy provisions, the order of priority is: (1) this Endorsement; (2) the Special Provisions, (3) the Crop Provisions, (4) the Common Crop Basic Provisions (Basic Provisions), with (1) controlling (2), etc.

**1. Applicability**

- (a) You must elect this Endorsement in writing on or before the sales closing date for the crop year that you wish to modify the terms of the Crop Provisions for an eligible crop. Once you elect this Endorsement, it will remain in effect for that crop for each subsequent crop year until:
- (1) Such time as you or we cancel it in writing in accordance with the Basic Provisions;
  - (2) Your crop insurance contract is terminated in accordance with the policy provisions; or
  - (3) Your election of the Catastrophic Risk Protection Endorsement for your eligible crop provisions in any crop year will be deemed to be cancellation of this endorsement by you.
- (b) This Endorsement will not provide coverage for any losses due to a quarantine that affects any part of a unit located in a quarantine zone that is in effect on the first day of the insurance period. If the quarantine in existence on the first day of the insurance period is lifted during that insurance period but another quarantine is subsequently declared that affects the unit, you will be covered for the second quarantine. If any subsequent quarantine is declared during the insurance period whereby the quarantine affects a unit not previously included in a quarantine zone, you will be covered for this quarantine.
- (c) This Endorsement is attached to and made part of the Crop Provisions for the eligible crop subject to the terms and conditions described herein.
- (d) You must have completed an application and have the Basic Provisions and the Crop Provisions for the eligible crop in force with additional coverage before you may elect this Endorsement.
- (e) This Endorsement operates only on those crops and in those counties where coverage is offered as specified in the actuarial documents. Except when in conflict with this Endorsement, all provisions of the applicable crop insurance policies for these crops apply.
- (f) In return for your payment of additional premium, this Endorsement provides insurance protection to you when a quarantine affecting all or part of your insured crop is declared.
- (g) You must own a share in the insured crop at the time the quarantine is declared.

**2. Definitions**

**Appropriate authority** – Any agency of the Federal government or of the government of the state where the insured crop is located that is authorized by statute to impose limitations upon the movement of the crop or to

order its destruction or the destruction of the plants on which it is growing to control the spread of pests.

**Eligible crop** – Any of the following:

- (a) Citrus produced in the state of California and insured under the Arizona-California Citrus Crop Provisions or the Actual Revenue History (ARH) Citrus Pilot Crop Provisions;
- (b) Avocados produced in the state of California and insured under the Pilot Avocado Crop Provisions (CA);
- (c) Any other crop for which the actuarial documents specify this Endorsement may be elected by you.

**Pest** – Any living stage of insects, mites, nematodes, slugs, snails, protozoa, or other invertebrate animals, bacteria, fungi, other parasitic plants or reproductive parts, viruses, or organisms similar to or allied with any of these, or infectious substances which can directly or indirectly injure or cause disease or damage in plants or parts, or processed, manufactured, or other products of plants. The Special Provisions may exclude coverage for specific pests.

**Quarantine** – An action taken by an appropriate authority to control a specific pest that:

- (a) requires the destruction of your insured crop or the plants on which your insured crop is growing and you are not allowed to harvest and sell the insured crop prior to destruction of the plants; or
- (b) does not permit the insured crop to be harvested, sold, transported, transferred, or otherwise restricts it from movement from the location where it was produced to the location of any buyer.

**Quarantine period** – The days between initiation and termination of a quarantine by the appropriate authority.

**Quarantine zone** – A geographic area to which the quarantine applies as defined by the appropriate authority.

**3. Notice of Quarantine Action**

We will use applicable quarantine declarations and/or notices as issued by an appropriate authority to provide notice of a quarantine action; and publish this material on the RMA website at <http://www.rma.usda.gov/> or a successor website.

**4. Duties in the Event of Damage or Loss**

In addition to section 14 of the Basic Provisions and the relevant section of the Crop Provisions for an eligible crop, you must comply with directives and instructions issued by the appropriate authority that pertain to the production practice you are following to produce your crop (organic or conventional).

**5. Causes of Loss**

- (a) Coverage is provided under this Endorsement whenever, during the insurance period contained in the applicable Crop Provisions there is a quarantine

declared; and

- (1) Insured production within the quarantine zone sustains unavoidable physical deterioration during the quarantine such that, under the terms of the Crop Provisions for the eligible crop, it no longer is considered to be production to count or the quantity of such production is reduced; or
  - (2) Insured production within the quarantine zone is destroyed or the plants on which it is growing are destroyed under the terms of the quarantine and you are not permitted to harvest and sell the production.
- (b) The provisions in section 9(b)(2) of the Arizona-California Citrus Crop Provisions; section 10(b)(3) of the ARH Citrus Pilot Crop Provisions and section 9(b)(3) of the Pilot Avocado Crop Provisions (CA) precluding quarantine as a covered cause of loss are not applicable.

#### 6. Example

For the 2011 crop year, a producer of navel oranges elects the Quarantine Endorsement to an Arizona-California Citrus Crop Provisions. The approved yield for the unit is 400 cartons. The unit consists of 50 acres. The producer elects the 75% coverage level and a price election of \$5.80 per carton. A quarantine is declared after the producer has harvested 10,000 cartons from the unit. Of these 10,000 cartons, a total of 1,000 cartons are in a warehouse on the farm and the producer is not permitted to move that production to the location of any buyer or processor. The fruit in these 1,000 cartons is marketable as defined by the Crop Provisions at the time the quarantine is declared. All remaining fruit on the trees and the harvested fruit in the warehouse deteriorates during the period of the quarantine and becomes unmarketable as fresh fruit. Under the terms of the Arizona-California Citrus Crop Provisions, navel oranges that are not marketable as fresh fruit are not included in production to count. The quarantine continues into the 2012 crop year and the producer is not permitted to harvest the 2012 crop.

#### 2011 Crop Year

Insurance ended on the 1,000 cartons when this quantity was removed from the field in which it was grown. Therefore, this quantity must be included in the production to count since it was marketable during the insurance period. There is no production to count for the fruit that was not harvested since it is not marketable. The indemnity would be calculated as follows:

Total guarantee = 400 cartons X 0.75 X 50 acres X 1.000 share = 15,000 cartons  
Production to count = 9,000 delivered + 1,000 in the warehouse = 10,000 cartons  
Unit deficiency = 15,000 cartons – 10,000 cartons = 5,000 cartons  
Indemnity = 5,000 cartons X \$5.80 X 1.000 share = \$29,000.

#### 2012 Crop Year

Because the quarantine was declared prior to the start of the insurance period for the 2012 crop year, the 2012 crop is not covered for any losses due to this declared quarantine. To be covered, the quarantine must be declared during the insurance period for the crop.