

United States Department of Agriculture



Federal Crop Insurance Corporation

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# TRITICALE CROP INSURANCE STANDARDS HANDBOOK

2018 and Succeeding Crop Years

# RISK MANAGEMENT AGENCY KANSAS CITY, MO

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Provides the procedures and instructions for administering the Triticale crop insurance	APPROVED:
program	/s/ Richard H. Flournoy
	<b>Deputy Administrator for Product Management</b>

#### **REASON FOR ISSUANCE**

The Triticale Crop Insurance Standards Handbook is effective for the Triticale crop insurance program beginning with the 2018 crop year.

This handbook provides procedures and instructions for administering the Triticale crop insurance program.

# TRITICALE CROP INSURANCE STANDARDS HANDBOOK

# **CONTROL CHART**

Triticale Crop Insurance Standards Handbook								
	TP Page(s)	TC Page(s)	Text Page(s)	Exhibit Number	Exhibit Page No.(s)	Date	Directive Number	
Insert	Entire Handbook							
Current Index	1-2	1	1-7			06-2017	FCIC-20310U	

# FILING INSTRUCTIONS

This handbook is effective for the 2018 and succeeding crop years.

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#### PART 1 GENERAL INFORMATION AND RESPONSIBILITIES

#### 1 General Information

#### A. Purpose

The purpose of this handbook is to provide supplementary instructions for establishing Triticale (TC) crop insurance coverage in accordance with the TC CP (18-TC-0158), TC LASH (FCIC-200XXL), GSH (FCIC-18190), and the CIH (FCIC-18010). The supplemental RMA-issued standards for this crop and crop year are in effect as of the signature date for this crop handbook at <a href="https://www.rma.usda.gov/handbooks/20000/index.html">www.rma.usda.gov/handbooks/20000/index.html</a>.

This handbook remains in effect until superseded by reissuance of either the entire handbook or selected portions (through amendments, bulletins, or FADs). If amendments are issued for a handbook, the original handbook as amended shall constitute the handbook. A bulletin or FAD can supersede either the original handbook or subsequent amendments.

#### B. Authority

The TC Crop Insurance Program is approved by the FCIC Board of Directors under Section 508(h) of the Federal Crop Insurance Act.

### C. Program Duration

The TC Crop Insurance Program is available until cancelled by the FCIC Board of Directors.

#### 2 Responsibilities

#### A. AIPs

AIPs must use standards, procedures, methods and instructions as authorized by FCIC in the sale and service of crop insurance policies. Each AIP is responsible for using RMA approved procedures. Procedures herein must be administered on a policy basis.

#### B. Insured

To be eligible for the TC Crop Insurance Program, insureds must comply with all terms and conditions of the BP and TC CP.

#### 3-10 (Reserved)

#### PART 2 STANDARDS AND INSTRUCTIONS

#### 11 General Rules

**A.** The TC Crop Insurance Program is a program providing coverage to triticale producers under the APH plan of insurance. In general, the FCIC-18010 CIH for Category B crops applies to triticale. The terminology and instructions contained in the CIH, GSH, and LAM and applicable exhibits that apply to the AIP and the insured, apply to the TC program.

#### B. Related Handbooks

The following table provides handbooks closely related to this handbook. However, other RMA approved handbooks may refer to this handbook and be applicable.

Handbook	Relation/Purpose			
CIH	Provides general underwriting procedures.			
GSH	General administrative procedures			
LAM	General loss adjustment procedures.			
TRITICALE LASH	Loss procedures for triticale.			

- (1) Procedures, terms, abbreviations, and definitions generally used (not crop specific) are identified in the CIH, GSH, and LAM.
- (2) Procedures, terms, abbreviations, and definitions specific to TC are identified as additions or exceptions in this handbook.

#### **12-20 (Reserved)**

#### PART 3 CROP INSURANCE AND GENERAL STANDARDS HANDBOOK

#### 21 CIH and GSH Applicability

Changes and additions to the CIH and GSH for TC are described in this part. All other applicable CIH and GSH procedures apply.

#### 22 CIH Part 10, Sections 3 and 4, Enterprise and Whole Farm Units

Refer to the insurance contract (BP, CP, or SP) for basic and optional unit provisions.

Enterprise and Whole Farm units are not available for triticale. (Not authorized in the SP.)

#### 23 CIH Part 19, Section 1, Triticale

## A. Insurability Requirements

- (1) For triticale insured under the APH plan, the triticale policy allows insurance coverage based on the price(s) contained in a buyer's contract(s).
  - (a) Each contract must have a contract price and quantity of production of triticale each of which must be specified and contained in a contract executed between the insured and the buyer.
  - (b) The contract price election is applicable to the insured type only if the total production guarantee for the type is insured using the same contract price.
- (2) If multiple contract prices apply or if only part of the production is contracted, the combination of the different contract prices or contract prices and the applicable price election published in the actuarial documents will be used to determine the weighted average price election, by type, for the policy. This will apply to any insured unit containing the type.
- (3) The election to use the weighted average price election is effectively made when:
  - (a) the insured provides the buyer contracts(s) to the AIP and reports the required buyer contract price and production information on the acreage report containing different contract prices; or
  - (b) the contracts provided only cover a portion of the production guarantee.
- (4) When the weighted average price election is elected:
  - (a) the insured must report the contracted pounds and contract price associated with each contract, by type, for each applicable unit(s);
  - (b) record the contract price(s) and contacted pounds on the acreage report, by the applicable unit(s) and type(s);
  - (c) such information is required to calculate the liability using the weighted average price election for the insured triticale type; and

- (d) if conditions occur within the unit that require additional records (such as late planting, PP, P/T, or share), report the total guarantee and liability/premium record. [See Appendix III.]
- (5) The contract price election or the weighted average price election will not exceed 140 percent of the published price election.
- (6) If the insured does not qualify or does not elect to use the contract price or weighted average price election, as applicable, the published price election will apply to the insured triticale crop.

#### Example:

The insured has a \$6.00/Bushel Contract Price for 4,000 Bushels
The price election contained in the actuarial documents is \$5.00/Bushel
The maximum contract price is \$7.00 (\$5.00 x 1.40 maximum contract price factor)
(The weighted average price election is calculated without regard to share.)

#### Unit 1

- 100 Acres Winter Triticale
- 60 Bushel Approved Yield
- 75% Coverage Level
  - o 45 Bushel Production Guarantee (per acre)

#### Unit 2

- 50 Acres Winter Triticale
- 60 Bushel Approved Yield
- 75% Coverage Level
  - o 45 Bushel Production Guarantee (per acre)

#### Total Production Guarantee for Winter Triticale

•  $100 \text{ Acres } \times 45 \text{ Bushels} + 50 \text{ Acres } \times 45 \text{ Bushels} = 6,750 \text{ Bushels}$ 

#### Winter Triticale Weighted Average Price Election

- 4.000 Bushels contracted
- 2,750 Bushels non-contracted (6,750 4,000)
- 4,000 Bushels x \$6.00 Contract Price + 2,750 Bushels x \$5.00 Price Election/6,750 Bushels = \$5.59/Bushel Weighted Average Price Election.

#### **B.** Yield and Price Conversion

Production records containing production measured in tons must be converted to bushels by dividing the recorded tonnage (expressed in pounds) by the weight per bushel (50 pounds) specified in the CP. Contract prices quoted in a price/ton must be converted to price/bushel. See Para. 26 for calculation examples.

The following definitions are specific to the TC Crop Insurance Program and revise the applicable definitions contained in the GSH.

<u>Adequate stand</u> – means a population of live plants per unit of acreage which will produce at least the yield used to establish your production guarantee.

<u>Bushel</u> – means a bushel will contain 50 pounds of triticale, unless otherwise specified in these Crop Provisions or the Special Provisions.

<u>Buyer</u> – means a business enterprise which acquires triticale production via contract and must possess or have contractual access to facilities with equipment and capacity necessary to handle and store the amount of production under contract.

Contract – means a written agreement between the insured and a buyer, executed on or before the acreage reporting date, which is in effect for the crop year. The contract must include:

- (a) The insured's commitment to plant, grow and deliver the insured crop to the buyer;
- (b) The buyer's commitment to purchase a specified quantity of production stated in the contract; and
- (c) The contract price.

<u>Contract price</u> – means the price specified in a contract, without regard to incentives or discounts. The contract price cannot exceed the maximum contract price.

#### Contract price election – means

- (a) The contract price election applicable to the insured type.
- (b) If either the contract price or the amount of production is not specified in the contract, the insured may not elect the contract price election.

<u>Harvest</u> – mean the combining or threshing of the insured crop for grain or cutting for hay or silage on any acreage. A crop which is swathed and not combined or threshed is not considered harvested.

<u>Local Market Price</u> – means the cash grain price per bushel for the applicable quality level offered by buyers in the area in which the insured normally markets the insured crop. The applicable quality level will be based on the quality level of such grain that does not meet the grade requirements for U.S. No. 2 triticale (grades U.S. No. 3 or worse).

<u>Maximum contract price</u> – means the price determined by multiplying the price election contained in the actuarial documents by the maximum contract price factor contained in the Special Provisions.

<u>Planted acreage</u> – means 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.

Price election – means in lieu of the definition contained in the Basic Provisions:

- (a) The price election will be the price election as defined in the Basic Provisions and contained in the actuarial documents (This price election will be used for the insured crop unless the crop is insured using the contract price election or weighted average price election); or
- (b) If the insured chooses to provide contracts and contract prices as specified in section 6 of these Crop Provisions, the price election will be either the:
  - (i) Contract price election; or
  - (ii) Weighted average price election; whichever is applicable.

<u>Triticale</u> – means a crop species resulting from a breeder's cross between wheat (Triticum) and Rye (Secale).

<u>Weighted average price election</u> – means the price election determined in accordance with section 3(b) of these Crop Provisions for each insured type. The weighted average price election cannot exceed the maximum contract price.

#### 25 GSH, Exhibit 8A, Crop Policy Information

Add the following information for TC to the crop policy information table, Exhibit 8A, for crops insurable under the APH plan of insurance.

CROP POLICY INFORMATION								
	FCIC		<sup>42</sup> CROP				UNIT(S): BASIC (B) OPTIONAL	<sup>45</sup> <b>H</b> IGH
APH CROPS	POLICY	CROP PROVISIONS	42CROP CATEGORY, APH YIELD TOLERANCE	LP/PP	<sup>43</sup> REPLANT	UNIT OF MEASURE	(O)  44ENTERPRISE (E)  44WHOLE FARM (W)	-RISK LAND Ex. Opt.
Triticale	17-BR	17-TC-0158	B 5%	LP/PP	Yes	bu.	B/O	Yes

<sup>&</sup>lt;sup>42</sup> Tolerance for APH field reviews.

#### **26** Weight and Price Conversion Examples

#### **Triticale Weight Conversion to Bushels**

Weight per bushel per the CP = 50 lbs.

1 Ton = 40 bushels (2,000 lbs.  $\div$  50 lbs.)

1 Hundredweight = 2 bushels (100 lbs.  $\div$  50 lbs.)

<sup>&</sup>lt;sup>43</sup> Applies to additional coverage only.

<sup>&</sup>lt;sup>44</sup> EU and WU(s) if provided for in the SP.

<sup>&</sup>lt;sup>45</sup> Requires insured's signature, refer to actuarial documents.

#### **Tons to Bushels**

20 tons X 2,000 lbs. (1 ton)/50 lbs. = 800 bushels

# **Hundredweight to Bushel**

400 hundredweight X 100 lbs./50 lbs. = 800 bushels

#### **Triticale Price Conversion to Bushels**

#### Price per Ton to Price per Bushel

\$220 per ton/40 bushels per ton = \$4.40 per bushel

#### Price per Hundredweight to Price per Bushel

\$8.80 per hundredweight/2 bushels per hundredweight = \$4.40 per bushel.

#### **27-30 (Reserved)**