

DEPARTMENT OF AGRICULTURE  
FEDERAL CROP INSURANCE CORPORATION



POTATO  
CROP INSURANCE POLICY  
(This is a continuous contract. Refer to Section 15.)

AGREEMENT TO INSURE: We will provide the insurance described in this policy in return for the premium and your compliance with all applicable provisions.

Throughout this policy, "you" and "your" refer to the insured shown on the accepted Application and "we," "us," and "our" refer to the Federal Crop Insurance Corporation.

TERMS AND CONDITIONS

1. CAUSES OF LOSS.

a. The insurance provided is against unavoidable loss of production resulting from the following causes occurring within the insurance period:

- (1) adverse weather conditions;
- (2) fire;
- (3) insects;
- (4) plant disease;
- (5) wildlife;
- (6) earthquake;
- (7) volcanic eruption; or
- (8) if applicable, failure of the irrigation water supply due to an unavoidable cause occurring after the beginning of planting;

unless those causes are excepted, excluded, or limited by the actuarial table or section 9e(5).

b. We will not insure against any loss of production due to:

- (1) damage that occurs or becomes evident after the potatoes have been placed in storage;
- (2) the neglect, mismanagement, or wrongdoing of you, any member of your household, your tenants, or employees;
- (3) the failure to follow good potato irrigation practices;
- (4) the failure or breakdown of irrigation equipment or facilities;
- (5) the failure to follow recognized good potato farming practices;
- (6) the impoundment of water by any governmental, public, or private dam or reservoir project; or
- (7) any cause not specified in section 1a as an insured loss.

2. CROP, ACREAGE, AND SHARE INSURED.

a. The crop insured will be potatoes planted for harvest as certified seed stock or for human consumption, grown on insured acreage, and for which a guarantee and premium rate are set by the actuarial table.

b. The acreage insured for each crop year will be potatoes planted on insurable acreage as designated by the actuarial table and in which you have a share, as reported by you or as determined by us, whichever we elect.

c. The insured share is your share as landlord, owner-operator, or tenant in the insured potatoes at the time of each planting period. However, only for the purpose of determining the amount of indemnity, your share will not exceed your share on the earlier of:

- (1) the time of loss; or
- (2) the beginning of harvest.

d. We do not insure any acreage:

- (1) planted with noncertified seed unless allowed by the actuarial table;
- (2) which does not meet the rotation procedures

required by the actuarial table;  
(3) where the farming practices carried out are not in accordance with the farming practices for which the premium rates have been established;

(4) which is irrigated and an irrigated practice is not provided for by the actuarial table unless you elect to insure the acreage as nonirrigated by reporting it as insurable under section 3;

(5) which is destroyed, it is practical to replant to potatoes, and such acreage is not replanted;

(6) initially planted after the final planting date set by the actuarial table unless you agree, in writing, on our form to coverage reduction;

(7) of volunteer potatoes;

(8) planted to a type or variety of potatoes not established as adapted to the area or excluded by the actuarial table;

(9) planted with a crop other than potatoes; or  
(10) planted for the development or production of hybrid seed or for experimental purposes.

e. If insurance is provided for an irrigated practice, you must report as irrigated only the acreage for which you have adequate facilities and water, at the time of planting, to carry out a good potato irrigation practice.

f. We may limit the insured acreage to any acreage limitation established under any Act of Congress, if we advise you of the limit prior to planting.

3. REPORT OF ACREAGE, SHARE, AND PRACTICE.

You must report at the time of each planting period on our form:

a. all the acreage of fall, winter, spring, and summer-planted potatoes in the county in which you have a share;

b. the practice; and

c. your share at the time of planting.

You must designate separately any acreage that is not insurable. You must report if you do not have a share in any potatoes planted in the county. This report must be submitted for each planting period on or before the reporting date established by the actuarial table for each planting period. All indemnities may be determined on the basis of information you submit on this report. If you do not submit this report by the reporting date, we may elect to determine, by unit, for each planting period, the insured acreage, share, and practice or we may deny liability on any unit for any planting. Any report submitted by you may be revised only upon our approval.

4. PRODUCTION GUARANTEES, COVERAGE LEVELS, AND PRICES FOR COMPUTING INDEMNITIES.

a. The production guarantees, coverage levels, and prices for computing indemnities are contained in the actuarial table.

b. Coverage level 2 will apply if you do not elect a

- c. coverage level.
- c. You may change the coverage level and price election on or before the sales closing date set by the actuarial table for submitting applications for the crop year.
- d. You must furnish a report of production to us for the previous crop year prior to the sales closing date for the subsequent crop year as established by the actuarial table. If you do not provide the required production report we will assign a yield for the crop year for which the report is not furnished. The production report or assigned yield will be used to compute your production history for the purpose of determining your guarantee for the subsequent crop year. The yield assigned by us will be 75% of the yield assigned for the purpose of determining your guarantee for the present crop year. If you have filed a claim for the previous crop year, the yield determined in adjusting your indemnity claim will be used as your production report.

**5. ANNUAL PREMIUM.**

- a. **The annual premium is earned and payable at the time of planting.** The amount is computed by multiplying the production guarantee times the price election, times the premium rate, times the insured acreage, times your share at the time of planting.
- b. Interest will accrue at the rate of one and one-quarter percent (1 1/4%) simple interest per calendar month, or any part thereof, on any unpaid premium balance starting on the first day of the month following the first premium billing date.
- c. If you are eligible for a premium reduction in excess of 5 percent based on your insuring experience through the 1983 crop year under the terms of the experience table contained in the potato policy for the 1984 crop year, you will continue to receive the benefit of that reduction subject to the following conditions:
  - (1) No premium reduction will be retained after the 1991 crop year.
  - (2) The premium reduction will not increase because of favorable experience.
  - (3) The premium reduction will decrease because of unfavorable experience in accordance with the terms of the policy in effect for the 1984 crop year.
  - (4) Once the loss ratio exceeds .80, no further premium reduction will apply.
  - (5) Participation must be continuous.

**6. DEDUCTIONS FOR DEBT.**

Any unpaid amount due us may be deducted from any indemnity payable to you or from any loan or payment due you under any Act of Congress or program administered by the United States Department of Agriculture or its Agencies.

**7. INSURANCE PERIOD.**

- a. **Insurance attaches when the potatoes are planted (in Alabama, California and Florida insurance attaches when the potatoes are planted in each planting period).**
- b. Insurance ends at the earliest of:
  - (1) total destruction of the potatoes on the unit;
  - (2) harvesting or removal from the field;
  - (3) final adjustment of a loss;
  - (4) the following dates of the calendar year in which potatoes are normally harvested:
    - (a) Missouri and all Texas counties except Bailey, Castro, Dallam, Deaf Smith, Floyd, Gaines, Hale, Hartley, Haskell, Knox, Lamb, Parmer, Swisher, and Yoakum July 15;
    - (b) North Carolina July 25;
    - (c) Virginia, and Knox County, Texas August 15;
    - (d) Alaska October 1;
    - (e) Nebraska

- (f) and Wyoming October 10;  
Connecticut, Massachusetts, Nevada, New York, and Pennsylvania October 31;
- (g) Idaho, Maine, Oregon and Washington (Russett type only) October 31;
- (h) Idaho, Maine, Oregon and Washington (all other types) October 15;
- (i) Alabama, California and Florida, the dates established by the actuarial table for each planting period; and
- (j) Bailey, Castro, Dallam, Deaf Smith, Floyd, Gaines, Hale, Hartley, Haskell, Lamb, Parmer, Swisher, and Yoakum counties, Texas, and all other states October 15.

**8. NOTICE OF DAMAGE OR LOSS.**

- a. In case of damage or probable loss:
  - (1) You must give us written notice if:
    - (a) during the period before harvest, the potatoes on any unit are damaged and you decide not to further care for or harvest any part of them;
    - (b) you want our consent to put the acreage to another use; or
    - (c) after consent to put acreage to another use is given, additional damage occurs.

**Insured acreage may not be put to another use** until we have appraised the potatoes and given written consent. We will not consent to another use until it is too late to replant for that planting period. You must notify us when such acreage has been put to another use.

- (2) You must give us notice of probable loss at least 15 days before the beginning of harvest if you anticipate a loss on any unit.
- (3) If probable loss is determined within 15 days prior to or during harvest, immediate notice must be given and a representative sample of the unharvested potatoes (at least 10 feet wide and the entire length of the field) must remain unharvested for a period of 15 days from the date of notice, unless we give you written consent to harvest the sample.
- (4) In addition to the notices required by this section, if you are going to claim an indemnity on any unit, you must give us notice **not later than 10 days** after the earliest of:
  - (a) total destruction of the potatoes on the unit;
  - (b) harvest of the unit; or
  - (c) the calendar date for the end of the insurance period.

- b. We must be given the opportunity to inspect any harvested production on any unit for which you have given notice of probable loss if such production will not be delivered directly to a processing plant.
- c. **You must obtain written consent from us before you destroy any of the potatoes which are not to be harvested.**
- d. We may reject any claim for indemnity if you fail to comply with any of the requirements of this section or section 9.

**9. CLAIM FOR INDEMNITY.**

- a. Any claim for indemnity on a unit must be submitted to us on our form not later than 60 days after the earliest of:
  - (1) total destruction of the potatoes on the unit;
  - (2) harvest of the unit; or
  - (3) the calendar date for the end of the insurance period.

- b. We will not pay any indemnity unless you:
  - (1) establish the total production of potatoes on the unit and that any loss of production has been directly caused by one or more of the insured causes during the insurance period; and
  - (2) furnish all information we require concerning the loss.
- c. The indemnity will be determined on each unit by:
  - (1) multiplying the insured acreage by the production guarantee;
  - (2) subtracting therefrom the total production of potatoes to be counted (see section 9e);
  - (3) multiplying the remainder by the price election; and
  - (4) multiplying this result by your share.
- d. If the information reported by you under section 3 of the policy results in a lower premium than the actual premium determined to be due, the production guarantee on the unit will be computed on the information reported, but all production from insurable acreage, whether or not reported as insurable, will count against the production guarantee.
- e. The total production (in hundredweight) to be counted for a unit will include all harvested and appraised production.
  - (1) The extent of any loss may be determined at the time the potatoes are placed in storage or delivered to a processor.
  - (2) Appraised production to be counted will include:
    - (a) unharvested production on harvested acreage and potential production lost due to uninsured causes;
    - (b) not less than the guarantee for any acreage which is abandoned or put to another use without our prior written consent or damaged solely by an uninsured cause;
    - (c) not less than the guarantee for any acreage from which the harvested production is disposed of without our prior written consent and such disposition prevents accurate determination of production; and
    - (d) any appraised production on unharvested acreage.
  - (3) Any appraisal we have made on insured acreage for which we have given written consent for another use will be considered production unless such acreage is:
    - (a) not put to another use before harvest of potatoes becomes general in the county for the planting period and reappraised by us;
    - (b) further damaged by an insured cause and reappraised by us; or
    - (c) harvested.
  - (4) The amount of production of any unharvested potatoes may be determined on the basis of field appraisals conducted after the end of the insurance period.
  - (5) If you elect to exclude hail and fire as insured causes of loss and the potatoes are damaged by hail or fire, appraisals will be made in accordance with Form FCI-78, "Request to Exclude Hail and Fire."
- f. You must not abandon any acreage to us.
- g. Any suit against us for an indemnity must be brought in accordance with the provisions of 7 U.S.C. 1508(c). You must bring suit within 12 months of the date notice of denial is received by you.
- h. An indemnity will not be paid unless you comply with all policy provisions.
- i. We have a policy for paying your indemnity within 30 days of our approval of your claim, or entry of a final judgment against us. We will, in no instance, be liable for the payment of damages, attorney's fees, or other charges in connection with any claim for indemnity,

whether we approve or disapprove such claim. We will, however, pay simple interest computed on the net indemnity ultimately found to be due by us or by a final judgment from and including the 61st day after the date you sign, date, and submit to us the properly completed claim for indemnity form, if the reason for our failure to timely pay is not due to your failure to provide information or other material necessary for the computation or payment of the indemnity. The interest rate will be that established by the Secretary of the Treasury under Section 12 of the Contract Disputes Act of 1978 (41 U.S.C. 611), and published in the FEDERAL REGISTER semiannually on or about January 1 and July 1. The interest rate to be paid on any indemnity will vary with the rate announced by the Secretary of the Treasury.

- j. If you die, disappear, or are judicially declared incompetent, or if you are an entity other than an individual and such entity is dissolved after the potatoes are planted for any crop year, any indemnity will be paid to the persons determined to be beneficially entitled thereto.
- k. If you have other fire insurance, fire damage occurs during the insurance period, and you have not elected to exclude fire insurance from this policy, we will be liable for loss due to fire only for the smaller of the amount:
  - (1) of indemnity determined pursuant to this contract without regard to any other insurance; or
  - (2) by which the loss from fire exceeds the indemnity paid or payable under such other insurance.

For the purpose of this section, the amount of loss from fire will be the difference between the fair market value of the production on the unit before the fire and after the fire.

**10. CONCEALMENT OR FRAUD.**

We may void the contract on all crops insured without affecting your liability for premiums or waiving any right, including the right to collect any amount due us if, at any time, you have concealed or misrepresented any material fact or committed any fraud relating to the contract. Such voidance will be effective as of the beginning of the crop year with respect to which such act or omission occurred.

**11. TRANSFER OF RIGHT TO INDEMNITY ON INSURED SHARE.**

If you transfer any part of your share during the crop year, you may transfer your right to an indemnity. The transfer must be on our form and approved by us. We may collect the premium from either you or your transferee or both. The transferee will have all rights and responsibilities under the contract.

**12. ASSIGNMENT OF INDEMNITY.**

You may assign to another party your right to an indemnity for the crop year, only on our prescribed form and with our approval. The assignee will have the right to submit the loss notices and forms required by the contract.

**13. SUBROGATION.** (Recovery of loss from a third party.)

Because you may be able to recover all or a part of your loss from someone other than us, you must do all you can to preserve any such right. If we pay you for your loss, then your right of recovery will at our option belong to us. If we recover more than we paid you plus our expenses, the excess will be paid to you.

**14. RECORDS AND ACCESS TO FARM.**

You must keep, for 2 years after the time of loss, records of the harvesting, storage, shipment, sale, or other disposition of all potatoes produced on each unit, including separate records showing the same information for production from any uninsured acreage. Failure to keep and maintain such records may, at our option, result in cancellation of the contract prior to the crop year to which the records apply, assignment of production to units by us, or a determination that no indemnity is due. Any person designated by us will have access to such records and the farm for purposes

related to the contract.

**15. LIFE OF CONTRACT: CANCELLATION AND TERMINATION.**

- a. **This contract will be in effect for the crop year specified on the application and may not be canceled by you for such crop year. Thereafter, the contract will continue in force for each succeeding crop year unless canceled or terminated as provided in this section.**
- b. This contract may be canceled by either you or us for any succeeding crop year by giving written notice on or before the cancellation date preceding such crop year.
- c. This contract will terminate as to any crop year if any amount due us on this or any other contract with you is not paid on or before the termination date preceding such crop year for the contract on which the amount is due. The date of payment of the amount due if deducted from:
  - (1) an indemnity, will be the date you sign the claim; or
  - (2) payment under another program administered by the United States Department of Agriculture, will be the date both such other payment and setoff are approved.
- d. The cancellation and termination dates are:

<u>State and County</u>	<u>Cancellation and Termination Dates</u>
Manatee, Hardee, Highlands, Okeechobee, and St. Lucie Counties, Florida, and all Florida counties lying south thereof.	September 30

Contra Costa, San Joaquin, Calaveras, and Alpine Counties, California, and all California counties lying south thereof; and all Texas counties except Bailey, Castro, Dallam, Deaf Smith, Floyd, Gaines, Hale, Hartley, Haskell, Knox, Lamb, Parmer, Swisher, and Yoakum.	November 30
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Alabama, Delaware; Maryland; Missouri; New Jersey; North Carolina; Virginia; and all other Florida counties.	December 31
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Knox County, Texas (effective beginning with the 1988 crop year).	February 28
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Bailey, Castro, Dallam, Deaf Smith, Floyd, Gaines, Hale, Hartley, Haskell, Lamb, Parmer, Swisher, and Yoakum counties, Texas; all other California counties and all other states.	April 15
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- e. If you die or are judicially declared incompetent, or if you are an entity other than an individual and such entity is dissolved, the contract will terminate as of the date of death, judicial declaration, or dissolution. If such event occurs after insurance attaches for any crop year, the contract will continue in force through the crop year and terminate at the end thereof. Death of a partner in a partnership will dissolve the partnership unless the partnership agreement provides otherwise. If two or more persons having a joint interest are insured jointly, death of one of the persons will dissolve the joint entity.
- f. The contract will terminate if no premium is earned for 3 consecutive years.

**16. CONTRACT CHANGES.**

We may change any terms and provisions of the contract from year to year. If your price election at which indemnities are computed is no longer offered, the actuarial table will provide the price election which you are deemed to have elected. All contract changes will be available at your service office by:

- a. June 30 prior to 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 February 28 cancellation date; or
- c. December 31 preceding the cancellation date for counties with an April 15 cancellation date.

Acceptance of changes will be conclusively presumed in the absence of notice from you to cancel the contract.

**17. MEANING OF TERMS.**

For the purposes of potato crop insurance:

- a. **"Actuarial table"** means the forms and related material for the crop year approved by us which are available for public inspection in your service office, and which show the production guarantees, coverage levels, premium rates, prices for computing indemnities, practices, insurable and uninsurable acreage, and related information regarding potato insurance in the county.
- b. **"ASCS"** means the Agricultural Stabilization and Conservation Service of the United States Department of Agriculture.
- c. **"County"** means:
  - (1) the county shown on the application;
  - (2) any additional land located in a local producing area bordering on the county, as shown by the actuarial table; and
  - (3) any land identified by the same ASCS farm serial number for the county but physically located in another county within the state.
- d. **"Crop year"** means the period within which the potatoes are normally grown and is designated by the calendar year in which the spring-planted potatoes are normally harvested.
- e. **"Harvest"** means the digging of potatoes on the unit.
- f. **"Insurable acreage"** means the land classified as insurable by us and shown as such by the actuarial table.
- g. **"Insured"** means the person who submitted the application accepted by us.
- h. **"Loss ratio"** means the ratio of indemnity to premium.
- i. **"Person"** means an individual, partnership, association, corporation, estate, trust, or other legal entity, and wherever applicable, a State or a political subdivision or agency of a State.
- j. **"Planting period"** means potatoes planted within the dates specified by the actuarial table, as fall-planted, winter-planted, spring-planted, or summer-planted.
- k. **"Service office"** means the office servicing your contract as shown on the application for insurance or such other approved office as may be selected by you or designated by us.
- l. **"Tenant"** means a person who rents land from another person for a share of the potatoes or a share of the proceeds therefrom.
- m. **"Unit"** means all insurable acreage of potatoes in the county on the date of planting for the crop year:
  - (1) in which you have a 100 percent share; or
  - (2) which is owned by one entity and operated by another entity on a share basis.

Land rented for cash, a fixed commodity payment, or any consideration other than a share in the potatoes on such land will be considered as owned by the lessee. Land which would otherwise be one unit may be divided according to applicable guidelines on file in your service office. Units will be determined when the acreage is reported. Errors in reporting units may be

corrected by us to conform to applicable guidelines when adjusting a loss. We may consider any acreage and share thereof reported by or for your spouse or child or any member of your household to be your bona fide share or the bona fide share of any other person having an interest therein.

**18. DESCRIPTIVE HEADINGS.**

The descriptive headings of the various policy terms and conditions are formulated for convenience only and are not intended to affect the construction or meaning of any of the provisions of the contract.

**19. DETERMINATIONS.**

All determinations required by the policy will be made by us. If you disagree with our determinations, you may obtain reconsideration of or appeal those determinations in accordance with Appeal Regulations.

**20. NOTICES.**

All notices required to be given by you must be in writing and received by your service office within the designated time unless otherwise provided by the notice requirement. Notices required to be given immediately may be by telephone or in person and confirmed in writing. Time of the notice will be determined by the time of our receipt of the written notice.

**21.** Notwithstanding the terms of the crop insurance policy and any contract for crop insurance under the provisions of this part, coverage under the terms of such crop insurance policy will be effective subject to the availability of appropriations.