

UNITED STATES DEPARTMENT OF AGRICULTURE
Federal Crop Insurance Corporation
Sugarcane Crop Provisions



If a conflict exists among the Basic Provisions, these crop provisions, and the Special Provisions, the Special Provisions will control these crop provisions and the Basic Provisions; and these crop provisions will control the Basic Provisions.

1. Definitions

- (a) **Crop year** - The period within which the insured sugarcane is normally grown and designated by the calendar year in which the harvest of sugarcane normally begins in the county.
- (b) **CFSA** - Consolidated Farm Service Agency (previously the Agricultural Stabilization and Conservation Service).
- (c) **Good farming practices** - The cultural practices generally in use in the county for the insured crop to make normal progress toward maturity and produce at least the yield used to determine the production guarantee and are those recognized by the Cooperative Extension Service as compatible with agronomic and weather conditions in the area.
- (d) **Harvest** - Cutting and removing the mature sugarcane from the field.
- (e) **Interplanted** - Acreage on which two or more crops are planted in a manner that does not permit separate agronomic maintenance or harvest of the insured crop.
- (f) **Irrigated practice** - A method of producing a crop by which water is artificially applied during the growing season by appropriate systems and at the proper times, with the intention of providing the quantity of water needed to produce at least the yield used to establish the irrigated production guarantee on the irrigated acreage planted to the insured crop.
- (g) **Local market price** - The price per pound for raw sugar offered by buyers in the area in which you normally market the sugarcane.
- (h) **Plant cane** - The insured crop which grows from seed planted for the crop year.
- (i) **Production guarantee** - The number of pounds determined by multiplying the approved yield per acre by the coverage level percentage you elect.
- (j) **Stubble cane** - The insured crop which grows from the stubble of sugarcane that was harvested the previous crop year.
- (k) **Sugarcane** - means either plant cane or stubble cane.
- (l) **Written agreement** - Designated terms of this policy may be altered by written agreement. Each agreement must be applied for by the insured in writing no later than the sales closing date and is valid for one year only. If not specifically renewed the following year, continuous insurance will be in accordance with the printed policy. All variable terms including, but not limited to, crop variety, guarantee, premium rate and price election must be contained in the written agreement. Notwithstanding the sales closing date

restrictions contained herein, in specific instances a written agreement may be applied for after the sales closing date, and approved if, after physical inspection of the acreage, it is determined that the crop has the expectancy of making at least the guaranteed yield. All applications for written agreements as submitted by the insured must contain all variable terms of the contract between the company and the insured that will be in effect if the written agreement is disapproved.

2. Unit Division

Unless limited by the Special Provisions, a unit as defined in subsection 1.(tt) of the Basic Provisions, may be divided into optional units if, for each optional unit you meet all the conditions of this section or if a written agreement to such division exists. Basic units may not be divided into optional units on any basis including, but not limited to, production practice, type, variety, and planting period other than as described under this section. If you do not comply fully with these provisions, we will combine all optional units which are not in compliance with these provisions into the basic unit from which they were formed. We may combine the optional units at any time we discover that you have failed to comply with these provisions. If failure to comply with these provisions is determined to be inadvertent, and the optional units are combined, that portion of the premium paid for the purpose of electing optional units will be refunded to you pro rata for the units combined. All optional units must be reflected on the acreage report for each crop year.

- (a) You must have records, which can be independently verified, of planted acreage and production for each optional unit for at least the last crop year used to determine your production guarantee.
- (b) You must plant the crop in a manner that results in a clear and discernible break in the planting pattern at the boundaries of each optional unit.
- (c) You must have records of measurement of stored or marketed production from each optional unit maintained in such a manner that permits us to verify the production from each optional unit or the production from each unit must be kept separate until after loss adjustment under the policy is completed.
- (d) Each optional unit must meet one or more of the following criteria as applicable:
 - (1) **Optional Units by Section, Section Equivalent, or Consolidated Farm Service Agency ("CFSA") Farm Serial Number:** Optional units may be established if each optional unit is located

in a separate legally identified Section. In the absence of Sections, we may consider parcels of land legally identified by other methods of measure including, but not limited to: Spanish grants, railroad surveys, leagues, labors, or Virginia Military Lands as the equivalent of Sections for unit purposes. In areas which have not been surveyed using the systems identified above, or another system approved by us, or in areas where such systems exist but boundaries are not readily discernible, each optional unit must be located in a separate farm identified by a single CFSA Farm Serial Number.

- (2) **Optional Units on Acreage Including Both Irrigated and Non-Irrigated Practices:** In addition to or instead of establishing optional units by Section, section equivalent or CFSA Farm Serial Number, optional units may be based on irrigated acreage or non-irrigated acreage if both are located in the same Section, section equivalent or CFSA Farm Serial Number. The irrigated acreage may not extend beyond the point at which your irrigation system can deliver the quantity of water needed to produce the yield on which your guarantee is based and may not continue into non-irrigated acreage in the same rows or planting pattern. Non-irrigated corners of a field in which a center-pivot irrigation system exists that do not qualify as a separate optional unit will be a part of the irrigated unit; however, other non-irrigated acreage within the unit being divided may qualify as a separate optional unit provided all requirements of this section are met.

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

- (a) In addition to the requirements of section 3 (Insurance Guarantees, Coverage Levels, and Prices for Determining Indemnities) of the Basic Provisions, you may select only one price election for all the sugarcane in the county insured under this policy.
- (b) Instead of reporting your sugarcane production for the previous crop year as required by subsection 3.(c) of the Basic Provisions, there is a lag period of one year and you are required to report production from two crop years previously, e.g., 1994 crop year production must be reported by the required date for the 1996 crop year.

4. Contract Changes

The contract change date is June 30 preceding the cancellation date (see the provisions of section 4 (Contract Changes) of the Basic Provisions).

5. Cancellation and Termination Dates

In accordance with subsection 2.(f) of the Basic Provisions, the cancellation and termination dates are September 30.

6. Insured Crop

In accordance with section 8 (Insured Crop) of the Basic Provisions, the crop insured will be all the sugarcane in the county for which a premium rate is

provided by the actuarial table:

- (a) In which you have a share;
- (b) That is grown for processing for sugar or for seed; and
- (c) That is not interplanted with another crop, unless a written agreement allows otherwise.

7. Insurable Acreage

Paragraph 9.(a)(3) of the Basic Provisions is not applicable to the Sugarcane Crop Provisions.

8. Insurance Period

- (a) In addition to the provisions of section 11 (Insurance Period) of the Basic Provisions, insurance attaches:
- (1) At the time of planting for plant cane unless we agree in writing to a later date;
 - (2) On the first day following harvest of the previous crop for stubble cane except as set out in paragraph 8.(a)(3);
 - (3) On the later of April 15 or 30 days following harvest of the previous crop for stubble cane:
 - (i) Damaged during the previous crop year in all states (includes Louisiana); and
 - (ii) In Louisiana, after the second harvest from stubble cane.
- (b) In accordance with the provisions of section 11 (Insurance Period) of the Basic Provisions the calendar date for the end of the insurance period is:
- (1) January 31 in Louisiana; and
 - (2) April 30 in all other states.

9. Causes of Loss

In accordance with the provisions of section 12 (Causes of Loss) of the Basic Provisions, insurance is provided only against the following causes of loss that occur within 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; or
- (h) Failure of the irrigation water supply, if applicable, due to an unavoidable cause of loss occurring within the insurance period.

10. Duties in the Event of Damage or Loss or Cutting the Sugarcane for Seed

- (a) In addition to your duties under section 14 (Duties in the Event of Damage or Loss) of the Basic Provisions, in the event of damage or loss:
- (1) All sugarcane stubble must remain intact for our inspection; and
 - (2) You must give us notice at least 15 days before you begin cutting any sugarcane for seed. Your notice must include the unit number and the number of acres you intend to harvest as seed. After we receive such notice we will appraise the sugarcane for its sugar potential. If you do not give us this notice, the production to count for such acreage will be your

approved yield.

- (b) In accordance with the requirements of section 14 (Duties in the Event of Damage or Loss) of the Basic Provisions, if you initially discover damage to any insured crop within 15 days of, or during harvest, you must leave representative samples of the unharvested crop for our inspection. The representative samples of the unharvested crop must be at least 10 feet wide and extend the entire length of each field in the unit. The stubble must not be destroyed and the required samples must not be harvested until the earlier of our inspection or 15 days after harvest of the balance of the unit is completed.

11. Settlement of Claim

- (a) We will determine your loss on a unit basis. In the event you are unable to provide records of production:
- (1) For any optional unit, we will combine all optional units for which acceptable records of production were not provided; or
 - (2) For any 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 on any unit by:
- (1) Multiplying the insured acreage by the production guarantee;
 - (2) Subtracting from this the total production to count;
 - (3) Multiplying the remainder by your price election; and
 - (4) Multiplying this result by your share.
- (c) The total production (pounds of sugar) to count from all insurable acreage on the unit will include:
- (1) All appraised production as follows:
 - (i) Not less than the production guarantee for acreage:
 - (A) That is abandoned;
 - (B) Put to another use without our consent;
 - (C) Damaged solely by uninsured causes;
 - (D) For which you fail to provide records of production that are acceptable to us; or
 - (E) On which the sugarcane stubble is destroyed within 15 days after harvest is completed without our consent;
 - (ii) Production lost due to uninsured causes;
 - (iii) Unharvested production;
 - (iv) The difference between the production guarantee and the appraised production for acreage that has an inadequate stand. An appraisal for an inadequate stand will be made if the product of the number of stalks per acre multiplied by two and further multiplied by the percentage of sugar contained in the Special Provisions for this purpose does not equal the per-acre

- (v) production guarantee; and
- (v) Potential production on insured acreage harvested for seed (see paragraph 10.(a)(2));
- (vi) Potential production on insured acreage you want to put to another use or you wish to abandon and no longer care for, if you and we agree on the appraised amount of production. Upon such agreement, the insurance period for that acreage will end if 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 insurable acreage. Final records of sugar production will be used to determine the amount of production to count. Preliminary mill estimates will not be used.
- (d) Harvested sugarcane may be adjusted for low quality if it is damaged by one or more freezes occurring within the insurance period to the extent that it cannot be processed for sugar by the boiling house operation. The amount of production to count for such sugarcane will be determined by dividing the dollar value of the damaged production by the local market price per pound for raw sugar. The prices used for this adjustment will be determined on the earlier of the date such quality-adjusted production is sold or the date of final inspection for the unit.