

SUMMARY OF CHANGES FOR THE SUGARCANE CROP PROVISIONS (99-038)

The following is a brief description of changes to the crop provisions that will be effective for the 1999 crop year. Please refer to the crop provisions for more complete information.

- The crop provisions have been modified to accommodate changes made to the Basic Provisions of the Common Crop Insurance Policy. These modifications may include, but are not limited to:
 - (a) Removal of some definitions now contained in the Basic Provisions;
 - (b) Removal of unit division provisions since provisions previously contained in section 2 regarding unit division requirements and unit structure by section, section equivalent, FSA farm serial number, and irrigated and non-irrigated practices, have been moved from the crop provisions to the Basic Provisions;
 - (c) Addition of late and prevented planting provisions to indicate that late and prevented planting provisions are not applicable; and
 - (d) Removal of provisions regarding written agreements now contained in the Basic Provisions.

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



If a conflict exists among the policy provisions, the order of priority is as follows: (1) the Catastrophic Risk Endorsement, if applicable; (2) the Special Provisions; (3) these Crop Provisions; and (4) the Basic Provisions with (1) controlling (2), etc.

1. Definitions

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.

Harvest - Cutting and removing the mature sugarcane from the field.

Local market price - The price per pound for raw sugar offered by buyers in the area in which you normally market the sugarcane.

Plant cane - The insured crop which grows from seed planted for the crop year.

Stubble cane - The insured crop which grows from the stubble of sugarcane that was harvested the previous crop year.

Sugarcane - means either plant cane or stubble cane.

2. 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.

3. 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).

4. Cancellation and Termination Dates

In accordance with section 2 of the Basic Provisions, the cancellation and termination dates are September 30.

5. 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 documents:

- (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.

6. Insurable Acreage

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

7. 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 7(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.

8. 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.

9. 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.

10. 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 production guarantee; and
 - (v) Potential production on insured acreage harvested for seed (see paragraph 9(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.

11. Late and Prevented Planting

The late and prevented planting provisions of the Basic Provisions are not applicable.