

CROP REVENUE COVERAGE INSURANCE POLICY RICE CROP PROVISIONS

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

1. Definitions

Average Daily Settlement Price - Refer to the definition contained in the Commodity Exchange Endorsement - Rice.

Flood irrigation - An irrigated practice commonly used for rice production whereby the planted acreage is intentionally covered with water that is maintained at a uniform and shallow depth throughout the growing season.

Harvest - Combining or threshing the rice for grain. A crop that is swathed prior to combining is not considered harvested.

Local market price - The cash price per pound for the U.S. No. 3 grade of rough rice offered by buyers in the area in which you normally market rice. Factors not associated with grading under the United States Standards for Rice including, but not limited to, protein and oil content or milling quality will not be considered.

Planted - The uniform placement of an adequate amount of rice seed into a prepared seedbed by one of the following methods:

- (a) Drill seeding - Using a grain drill to incorporate the seed to a proper soil depth;
- (b) Broadcast seeding - Distributing seed evenly onto the surface of an un-flooded seedbed followed by either timely mechanical incorporation of the seed to a proper soil depth in the seedbed or flushing the seedbed with water; or
- (c) Broadcast seeding into a controlled flood - Distributing the rice seed onto a prepared seedbed that has been intentionally covered to a proper depth by water. The water must be free of movement and be completely contained on the acreage by properly constructed levees and gates.

Acreage seeded in any other manner will not be insurable unless otherwise provided by the Special Provisions.

Prevented planting guarantee - The Prevented Planting Guarantee for such acreage will be that percentage of the Final Guarantee for timely planted acres as set forth in section 13.

Saline water - Water that contains a concentration of salt sufficient to cause damage to the insured crop.

Second crop rice - The regrowth of a stand of rice following harvest of the initially insured rice crop that can be harvested in the same crop year.

Swathed - Severance of the stem and grain head from the ground without removal of the rice kernels from the plant and placing in a windrow.

Total milling yield - Rice production consisting of heads, second heads, screenings, and brewer's rice as defined by the official United States Standards for Rice.

2. Unit Structure

Provisions in the Basic Provisions that allow optional units by irrigated and non-irrigated practices are not applicable.

3. Coverage Level

In addition to the requirements of section 4 of the Basic Provisions all the insurable acreage of rice in the county insured as grain under this policy will have the same coverage level.

4. Contract Changes

In accordance with section 5 in the Basic Provisions, the contract change date is November 30 preceding the cancellation date.

5. Cancellation and Termination Dates

In accordance with section 3(h) of the Basic Provisions, the cancellation and termination dates are:

State and County	Cancellation and Termination Date
Jackson, Victoria, Goliad, Bee, Live Oak, McMullen, La Salle, and Dimmit Counties, Texas; and all Texas Counties south thereof;	January 31
Florida	February 15
All other Texas counties and all other states	February 28

6. Insured Crop

In accordance with section 9 of the Basic Provisions, the crop insured will be all the rice in the county for which a premium rate is provided by the actuarial documents (or by written agreement):

- (a) In which you have a share;
- (b) That is planted for harvest as grain;
- (c) That is flood irrigated; and
- (d) That is not wild rice.

7. Insurable Acreage

In addition to the provisions of section 10 of the Basic Provisions:

- (a) We will not insure any acreage planted to rice:
 - (1) The preceding crop year unless allowed by the Special Provisions; or
 - (2) That does not meet the rotation requirements shown in the Special Provisions; and
- (b) Any acreage of the insured crop damaged before the final planting date, to the extent that producers in the area would normally not further care for the crop, must be replanted unless we agree that it is not practical to replant.

8. Insurance Period

In accordance with the provisions of section 12 of the Basic Provisions, the calendar date for the end of the

insurance period is October 31 immediately following planting.

9. Causes of Loss

- (a) In accordance with the provisions of section 13 of the Basic Provisions, insurance is provided only against an unavoidable loss of revenue due to the following causes of loss which occur within the insurance period:
- (1) Adverse weather conditions (except drought);
 - (2) Fire;
 - (3) Insects, but not damage due to insufficient or improper application of pest control measures;
 - (4) Plant disease, but not damage due to insufficient or improper application of disease control measures;
 - (5) Wildlife;
 - (6) Earthquake;
 - (7) Volcanic eruption;
 - (8) Failure of the irrigation water supply, if due to a cause of loss specified in sections 9(a)(1) through (7), drought, or the intrusion of saline water; or
 - (9) A Harvest Price that is less than the Base Price.
- (b) In addition to the causes of loss not insured against in section 13 of the Basic Provisions, we will not insure against any loss of revenue due to the application of saline water, except as specified in section 9(a)(8) of these crop provisions.

10. Replanting Payment

- (a) A replanting payment for rice is allowed as follows:
- (1) You must comply with all requirements regarding replanting payments contained under section 14 of the Basic Provisions;
 - (2) The rice must be damaged by an insurable cause of loss to the extent that the remaining stand will not produce at least 90 percent of the Minimum Guarantee for the acreage; and
 - (3) The replanted rice must be seeded at a rate that is normal for initially planted rice (if new seed is planted at a reduced seeding rate into a partially damaged stand of rice, the acreage will not be eligible for a replanting payment).
- (b) In accordance with the provisions of section 14 of the Basic Provisions, the maximum amount of the replanting payment per acre will be the lesser of 20 percent of the Minimum Guarantee or 400 pounds, multiplied by the Base Price, multiplied by your insured share.
- (c) When rice is replanted using a practice that is uninsurable as an original planting, the liability for the unit will be reduced by the amount of the replanting payment. The premium amount will not be reduced.

11. Duties in the Event of Damage or Loss

In addition to your duties under section 15 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 samples must be at least 10 feet wide

and the entire length of each field in the unit, and must not be harvested or destroyed until the earlier of our inspection or 15 days after harvest of the balance of the unit is completed.

12. Settlement of Claim

- (a) We will determine your loss on a unit basis. In the event you are unable to provide separate acceptable production records:
- (1) For any optional unit, we will combine all optional units for which such production records 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 insured basic or optional unit of rice by:
- (1) Multiplying the insured acreage of the crop by the Final Guarantee;
 - (2) Subtracting the Calculated Revenue from the result of section 12(b)(1); and
 - (3) Multiplying the result of section 12(b)(2) by your share.

If the result of section 12(b)(3) is greater than zero, an indemnity will be paid. If the result of section 12(b)(3) is less than zero, no indemnity will be due.

- (c) In the event of loss or damage covered by this policy, we will settle your claim on any insured enterprise unit by:
- (1) Multiplying the insured acreage of the crop by the Final Guarantee for each basic unit or optional unit within the enterprise unit;
 - (2) For each basic unit or optional unit in section 12(c)(1), compute the Calculated Revenue;
 - (3) Subtract each result in section 12(c)(2) from the respective result of section 12(c)(1); and
 - (4) Multiplying each result of section 12(c)(3) by your share; and
 - (5) Total the results of section 12(c)(4).
- If the result of section 12(c)(5) is greater than zero, an indemnity will be paid. If the result of section 12(c)(5) is less than zero, no indemnity will be due.
- (d) The total production to count (in pounds) from all insurable acreage on the unit will include:
- (1) All appraised production as follows:
 - (i) Not less than that amount of production that when multiplied by the Harvest Price equals the Final Guarantee for acreage:
 - (A) That is abandoned;
 - (B) Put to another use without our consent;
 - (C) That is damaged solely by uninsured causes; or
 - (D) For which you fail to provide acceptable production records;
 - (ii) Production lost due to uninsured causes;
 - (iii) Unharvested production (mature unharvested production may be adjusted for quality

deficiencies and excess moisture in accordance with section 12(e));

- (iv) Potential production on insured acreage that you intend to put to another use or abandon, if you and we agree on the appraised amount of production. Upon such agreement, the insurance period for that acreage will end when 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 the insurable acreage, including any production from a second rice crop harvested in the same crop year.

- (e) Mature rough rice may be adjusted for excess moisture and quality deficiencies. If moisture adjustment is applicable, it will be made prior to any adjustment for quality.

- (1) Production will be reduced by 0.12 percent for each 0.1 percentage point of moisture in excess of 12 percent. We may obtain samples of the production to determine the moisture content.

- (2) Production will be eligible for quality adjustment if:

- (i) Deficiencies in quality, in accordance with the Official United States Standards for Rice, result in rice not meeting the grade requirements for U.S. No. 3 (grades U.S. No. 4 or worse) because of red rice, chalky kernels or damaged kernels;

- (ii) The rice has a total milling yield of less than 68 pounds per hundredweight;

- (iii) The whole kernel weight is less than 55 pounds per hundredweight of milled rice for medium and short grain varieties;

- (iv) The whole kernel weight is less than 48 pounds per hundredweight of milled rice for long grain varieties; or

- (v) Substances or conditions are present that are identified by the Food and Drug Administration or other public health organizations of the United States as being injurious to human or animal health.

- (3) Quality will be a factor in determining your loss only if:

- (i) The deficiencies, substances, or conditions specified in section 12(e)(2) resulted from a cause of loss against which insurance is provided under these crop provisions and which occurs within the insurance period;

- (ii) The deficiencies, substances, or conditions specified in section 12(e)(2) result in a net price for the damaged production that is less than the local market price;

- (iii) All determinations of these deficiencies, substances, or conditions specified in section 12(e)(2) are made using samples of the production obtained by us or by a disinterested third party approved by us; and

- (iv) The samples are analyzed by a grader licensed to grade rice under the authority of the United States Agriculture Marketing Act or the United States Warehouse Act with regard to deficiencies in quality, or by a laboratory approved by us with regard to substances or conditions injurious to human or animal health. Notwithstanding the preceding sentence, test weight for quality adjustment purposes may be determined by our loss adjuster.

- (4) Rice production that is eligible for quality adjustment, as specified in sections 12(e)(2) and (3), will be reduced by the quality adjustment factors contained in the Special Provisions.

- (f) Any production harvested from plants growing in the insured crop may be counted as production of the insured crop on a weight basis.

13. Prevented Planting

Your prevented planting coverage will be 45 percent of your Final Guarantee for timely planted acreage. You may increase your prevented planting coverage to a level specified in the actuarial documents by paying an additional premium.