



UNITED STATES DEPARTMENT OF AGRICULTURE
Federal Crop Insurance Corporation
TEXAS CITRUS FRUIT 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

Crop - Specific groups of citrus fruit as listed in the Special Provisions.

Crop year - The period beginning with the date insurance attaches to the citrus crop and extending through the normal harvest time. It is designated by the calendar year following the year in which the bloom is normally set.

Days - Calendar days.

Direct marketing - Sale of the insured crop directly to consumers without the intervention of an intermediary such as a wholesaler, retailer, packer, processor, shipper, or buyer. Examples of direct marketing include selling through an on-farm or roadside stand, farmer's market, and permitting the general public to enter the field for the purpose of picking all or a portion of the crop.

Excess rain - An amount of precipitation that damages the crop.

Excess wind - A natural movement of air that has sustained speeds exceeding 58 miles per hour recorded at the U. S. Weather Service reporting station operating nearest to the grove at the time of damage.

Freeze - The formation of ice in the cells of the tree, its blossoms, or its fruit caused by low air temperatures.

FSA - The Farm Service Agency, an agency of the United States Department of Agriculture, or any successor agency.

Good farming practices - The cultural practices generally in use in the county for the crop to make normal progress toward maturity and produce at least the yield used to determine the production guarantee, and generally recognized by the Cooperative Extension Service as compatible with agronomic and weather conditions in the county.

Harvest - The severance of mature citrus fruit from the tree by pulling, picking, or any other means, or by collecting marketable fruit from the ground.

Hedged - A process of trimming the sides of the citrus trees for better or more fruitful growth of the citrus fruit.

Interplanted - Acreage on which two or more crops are planted in any form of alternating or mixed pattern.

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.

Local market price - The applicable citrus price per ton offered by buyers in the area in which you normally market the insured crop.

Non-contiguous land - Any two or more tracts of land whose boundaries do not touch at any point, except that land separated only by a public or private right-of way, waterway, or an irrigation canal will be considered as contiguous.

Production guarantee (per acre):

- (a) First stage production guarantee - The second stage production guarantee multiplied by forty percent (40%).
- (b) Second stage production guarantee - The quantity of citrus (in tons) determined by multiplying the yield determined in

accordance with section 3 by the coverage level percentage you elect.

Ton - Two thousand (2,000) pounds avoirdupois.

Topped - A process of trimming the uppermost portion of the citrus trees for better and more fruitful growth of the citrus fruit.

Varieties - Subclasses of crops as listed in the Special Provisions.

Written agreement - A written document that alters designated terms of a policy in accordance with section 13.

2. Unit Division

- (a) A unit as defined in section 1 (Definitions) of the Basic Provisions, will be divided into basic units by each citrus crop designated in the Special Provisions.
- (b) Unless limited by the Special Provisions, these basic units 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.
- (c) Basic units may not be divided into optional units on any basis including, but not limited to, production practice, type, and variety, other than as described in this section.
- (d) If you do not comply fully with these provisions, we will combine all optional units that are not in compliance with these provisions into the basic unit from which they were formed. We will 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 into a basic unit, that portion of the premium paid for the purpose of electing optional units will be refunded to you for the units combined.
- (e) All optional units established for a crop year must be identified on the acreage report for that crop year.
- (f) The following requirements must be met for each optional unit:
 - (1) You must have records, which can be independently verified, of acreage and production for each optional unit for at least the last crop year used to determine your production guarantee; and
 - (2) You must have records of marketed production or measurement of stored 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 loss adjustment is completed by us.
 - (3) Each optional unit must meet one of the following criteria, as applicable:
 - (i) **Optional Units by Section, Section Equivalent, or FSA 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 that 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 FSA Farm Serial Number; or

- (ii) **Optional Units on Acreage Located on Non-Contiguous Land:** In lieu of establishing optional units by section, section equivalent or FSA Farm Serial Number, optional units may be established if each optional unit is located on non-contiguous land.

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

In addition to the requirements of section 3 (Insurance Guarantees, Coverage Levels, and Prices for Determining Indemnities) of the Basic Provisions:

- (a) You may select only one price election and coverage level for each citrus fruit crop designated in the Special Provisions that you elect to insure. The price election you choose for each crop need not bear the same percentage relationship to the maximum price offered by us for each crop. For example, if you choose one hundred percent (100%) of the maximum price election for early oranges, you may choose seventy-five percent (75%) of the maximum price election for late oranges. However, if separate price elections are available by variety within each crop, the price elections you choose within the crop must have the same percentage relationship to the maximum price offered by us for each variety within the crop.
- (b) The production guarantee per acre is progressive by stage and increases at specific intervals to the final stage production guarantee. The stages and production guarantees per acre are:
 - (1) The first stage extends from the date insurance attaches through April 30 of the calendar year of normal bloom. The production guarantee will be forty percent (40%) of the yield calculated in section 3(e) multiplied by your coverage level.
 - (2) The second or final stage extends from May 1 of the calendar year of normal bloom until the end of the insurance period. The production guarantee will be the yield calculated in section 3(e) multiplied by your coverage level.
- (c) Any acreage of citrus damaged in the first stage to the extent that the majority of producers in the area would not further maintain it will be limited to the first stage production guarantee even though you may continue to maintain it.
- (d) In addition to the reported production, each crop year you must report by type:
 - (1) The number of trees damaged, topped, hedged, pruned or removed; any change in practices or any other circumstance that may reduce the expected yield below the yield upon which the insurance guarantee is based; and the number of affected acres;
 - (2) The number of bearing trees on insurable and uninsurable acreage;
 - (3) The age of the trees and the planting pattern; and
 - (4) For the first year of insurance for acreage interplanted with another perennial crop, and anytime the planting pattern of such acreage is changed:
 - (i) The age of the interplanted crop, and type if applicable;
 - (ii) The planting pattern; and
 - (iii) Any other information that we request in order to establish your approved yield.

We will reduce the yield used to establish your production guarantee as necessary, based on our estimate of the effect of the following: interplanted perennial crop; removal, topping, hedging, or pruning of trees; damage; change in practices and any other circumstance on the yield potential of the insured crop. If you fail to notify us of any circumstance that may reduce your yields from previous levels, we will reduce your production guarantee as necessary at any time we become aware of the circumstance.

- (e) The yield used to compute your production guarantee will be determined in accordance with Actual Production History (APH) regulations, 7 CFR part 400, subpart G, and applicable policy provisions unless damage or changes to the grove or trees, require establishment of the yield by another method. In the event of such damage or changes, the yield will be based on our appraisal of the potential of the insured acreage for the crop year.
- (f) Instead of reporting your citrus production for the previous crop year, as required by section 3 of the Basic Provisions, there is a one year lag period. Each crop year you must report your production from two crop years ago, *e.g.*, on the 1998 crop year production report, you will provide your 1996 crop year production.

4. Contract Changes

In accordance with section 4 (Contract Changes) of the Basic Provisions, the contract change date is August 31 preceding the cancellation date.

5. Cancellation and Termination Dates

In accordance with section 2 (Life of Policy, Cancellation, and Termination) of the Basic Provisions, the cancellation and termination dates are November 20.

6. Annual Premium

In lieu of the premium computation method in section 7 (Annual Premium) of the Basic Provisions, the annual premium amount is computed by multiplying the second stage production guarantee per acre by the price election, the premium rate, the insured acreage, your share at the time coverage begins, and by any applicable premium adjustment percentages contained in the Special Provisions.

7. Insured Crop

In accordance with section 8 (Insured Crop) of the Basic Provisions, the crop insured will be all the acreage in the county of each citrus crop designated in the Special Provisions that you elect to insure and for which a premium rate is provided by the actuarial table:

- (a) In which you have a share;
- (b) That are adapted to the area;
- (c) That are irrigated;
- (d) That has produced an average yield of at least three tons per acre the previous year, or we have appraised the yield potential of at least three tons per acre;
- (e) That is grown in a grove that, if inspected, is considered acceptable by us; and
- (f) That is not sold by direct marketing, unless allowed by the Special Provisions or by written agreement.

8. Insurable Acreage

In lieu of the provisions in section 9 (Insurable Acreage) of the Basic Provisions, that prohibit insurance attaching to a crop planted with another crop, citrus interplanted with another perennial crop is insurable unless we inspect the acreage and determine it does not meet the requirements contained in your policy.

9. Insurance Period

- (a) In accordance with the provisions of section 11 (Insurance Period) of the Basic Provisions:

- (1) Coverage begins on November 21 of each crop year, except that for the year of application, if your application is received after November 11 but prior to November 21, insurance will attach on the 10th day after your properly completed application is received in our local office, unless we inspect the acreage during the 10 day period and determine that it does not meet insurability requirements. You must provide any information that we require for the crop or to determine the condition of the grove.
 - (2) The calendar date for the end of the insurance period for each crop year is the second May 31st of the crop year.
- (b) In addition to the provisions of section 11 (Insurance Period) of the Basic Provisions:
- (1) If you acquire an insurable share in any insurable acreage after coverage begins, but on or before the acreage reporting date for the crop year, and after an inspection we consider the acreage acceptable, insurance will be considered to have attached to such acreage on the calendar date for the beginning of the insurance period.
 - (2) If you relinquish your insurable share on any insurable acreage of citrus on or before the acreage reporting date for the crop year, insurance will not be considered to have attached to, and no premium will be due, and no indemnity paid for such acreage for that crop year unless:
 - (i) A transfer of coverage and right to an indemnity, or a similar form approved by us, is completed by all affected parties;
 - (ii) We are notified by you or the transferee in writing of such transfer on or before the acreage reporting date; and
 - (iii) The transferee is eligible for crop insurance.

10. Causes of Loss

- (a) 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:
 - (1) Excess rain;
 - (2) Excess wind;
 - (3) Fire, unless weeds and other forms of undergrowth have not been controlled or pruning debris has not been removed from the grove;
 - (4) Freeze;
 - (5) Hail;
 - (6) Tornado;
 - (7) Wildlife; or
 - (8) Failure of the irrigation water supply if caused by an insured peril or drought that occurs during the insurance period.
- (b) In addition to the causes of loss excluded in section 12 (Causes of Loss) of the Basic Provisions, we will not insure against damage or loss of production due to:
 - (1) Disease or insect infestation, unless a cause of loss specified in section 10(a):
 - (i) Prevents the proper application of control measures or causes properly applied control measures to be ineffective; or
 - (ii) Causes disease or insect infestation for which no effective control mechanism is available;
 - (2) Inability to market the citrus for any reason other than actual physical damage from an insurable cause specified in this section. For example, we will not pay you an indemnity if you are unable to market due to

quarantine, boycott, or refusal of any person to accept production.

11. Duties in the Event of Damage or Loss

In addition to the requirements of section 14 (Duties in the Event of Damage or Loss) of the Basic Provisions, the following will apply:

- (a) If the Special Provisions permit or a written agreement authorizing direct marketing exists, you must notify us at least 15 days before any production from any unit will be sold by direct marketing. We will conduct an appraisal that will be used to determine your production to count for production that is sold by direct marketing. If damage occurs after this appraisal, we will conduct an additional appraisal. These appraisals, and any acceptable records provided by you, will be used to determine your production to count. Failure to give timely notice that production will be sold by direct marketing will result in an appraised amount of production to count of not less than the production guarantee per acre if such failure results in our inability to make the required appraisal.
- (b) If you intend to claim an indemnity on any unit, you must notify us before beginning to harvest any damaged production so we may have an opportunity to inspect it. You must not sell or dispose of the damaged crop until after we have given you written consent to do so. If you fail to meet the requirements of this section all such production will be considered undamaged and included as production to count.

12. Settlement of Claim

- (a) We will determine your loss on a unit basis. In the event you are unable to provide 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 a unit basis by:
 - (1) Multiplying the insured acreage for each crop, or variety if applicable, by its respective production guarantee (see sections 1 and 3);
 - (2) Multiplying the results of section 12(b)(1) by the respective price election for each crop or variety, if applicable;
 - (3) Totaling the results of section 12(b)(2);
 - (4) Multiplying the total production to count of each variety, if applicable, (see section 12(c)) by the respective price election;
 - (5) Totaling the results of section 12(b)(4);
 - (6) Subtracting this result of section 12(b)(5) from the result of section 12(b)(3); and
 - (7) Multiplying the result of section 12(b)(6) by your share.
- (c) The total production to count (in tons) from all insurable acreage on the unit will include:
 - (1) All appraised production as follows:
 - (i) Not less than the production guarantee per acre for acreage:
 - (A) That is abandoned;
 - (B) For which you fail to provide acceptable production records;
 - (C) That is damaged solely by uninsured causes; or
 - (D) From which production is sold by direct marketing, if direct marketing is specifically permitted by the Special

Provisions or a written agreement, and you fail to meet the requirements contained in section 11;

- (ii) Production lost due to uninsured causes;
- (iii) Unharvested production; and
- (iv) Potential production on insured acreage you intend to abandon or 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 do not agree with our appraisal, we may defer the claim only if you agree to continue to care for the crop. We will then make another appraisal when you notify us of further damage or that harvest is general in the area unless you harvested the crop, in which case we will use the harvested production. If you do not continue to care for the crop, our appraisal made prior to deferring the claim will be used to determine the production to count; and

(2) All harvested production from the insurable acreage.

- (d) Any citrus fruit that is not marketed as fresh fruit and, due to insurable causes, does not contain 120 or more gallons of juice per ton, will be adjusted by:
 - (1) Dividing the gallons of juice per ton obtained from the damaged citrus by 120; and
 - (2) Multiplying the result by the number of tons of such citrus.

If individual records of juice content are not available, an average juice content from the nearest juice plant will be used, if available. If not available, a field appraisal will be made to determine the average juice content.

- (e) Where the actuarial table provides, and you elect, the fresh fruit option, citrus fruit that is not marketable as fresh fruit due to insurable causes will be adjusted by:
 - (1) Dividing the value per ton of the damaged citrus by the price of undamaged citrus fruit; and
 - (2) Multiplying the result by the number of tons of such citrus fruit.

The applicable price for undamaged citrus fruit will be the local market price the week before damage occurred.

- (f) Any production will be considered marketed or marketable as fresh fruit unless, due solely to insured causes, such production was not marketed as fresh fruit.
- (g) In the absence of acceptable records of disposition of harvested citrus fruit, the disposition and amount of production to count for the unit will be the guarantee on the unit.
- (h) Any citrus fruit on the ground that is not harvested will be considered totally lost if damaged by an insured cause.

13. **Written Agreements**

Designated terms of this policy may be altered by written agreement in accordance with the following:

- (a) You must apply in writing for each written agreement no later than the sales closing date, except as provided in section (13)(e);
- (b) The application for written agreement must contain all terms of the contract between you and us that will be in effect if the written agreement is not approved;
- (c) If approved, the written agreement will include all variable terms of the contract, including, but not limited to, crop type or variety, the guarantee, premium rate, and price election;
- (d) Each written agreement will only be valid for one year (If the written agreement is not specifically renewed the

- following year, insurance coverage for subsequent crop years will be in accordance with the printed policy); and
- (e) An application for written agreement submitted after the sales closing date may be approved if, after a physical inspection of the acreage, it is determined that no loss has occurred and the crop is insurable in accordance with the policy and written agreement provisions.