

**SUMMARY OF CHANGES FOR THE RA CORN AND SOYBEAN CROP PROVISIONS
(98-RA-CP)**

The following is a brief description of changes to the RA Crop Provisions that will be effective for the 1998 crop year. Please refer to the Crop Provisions for more complete information.

- The RA Crop Provisions have been modified to accommodate changes made to the Multiple Peril Crop Insurance 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 RA Basic Provisions.
 - (b) Modification of late and prevented planting provisions.

REVENUE ASSURANCE CORN AND SOYBEAN CROP PROVISIONS

This is a pilot risk management program. This risk management tool will be reinsured under the authority provided by the Federal Crop Insurance Act as amended. If a conflict exists among the policy provisions, the order of priority is as follows; (1) the Special Provisions; (2) these Crop Provisions; and (3) the Basic Provisions with (1) controlling (2), etc.

1. DEFINITIONS

County harvest price - The price used to value production to count. It is the simple average of the daily posted county prices as published by USDA for each county. For corn, the county harvest price is the average of the daily posted county prices for corn in November of the crop year. For soybeans, the county harvest price is the average of the daily posted county prices for soybeans in October. The county harvest price will be calculated by FCIC by November 5 for soybeans and December 5 for corn. The crop county harvest price for Pottawattamie county will be the simple average of the November corn and October soybean average daily posted county prices for East and West Pottawattamie, respectively.

CBOT - Chicago Board of Trade.

County adjustment factor - The historical difference between the county harvest prices and the CBOT futures prices in the month of harvest and are fixed in January before planting. For corn, the futures prices used would be the simple average of the final daily settlement prices in November for a December corn futures contract. For soybeans, the futures prices used would be the simple average of the final daily settlement prices in October for a November soybeans futures contract.

Expected per-acre revenue - The approved actual production history (APH) yield times the projected county price.

Harvest - Combining, threshing, or picking the insured crop for grain.

Maximum per-acre revenue guarantee - The expected per-acre revenue times the coverage level percent (.7500).

Minimum per-acre revenue guarantee - The expected per-acre revenue times the coverage level percent (.6500).

Planted acreage - In addition to the definition contained in the Basic Provisions, corn and soybeans must initially be planted in rows (corn must be planted in rows far enough apart to permit mechanical cultivation), unless otherwise provided by the Special Provisions or actuarial documents.

Prevented planting guarantee - The prevented planting guarantee for such acreage will be the selected percentage of the per-acre revenue guarantee for timely planted acres.

Projected county price - The price used to determine your unit revenue guarantee and represents our best projections in accordance with section 2(b)--before planting--of the county harvest prices for corn and soybeans (see section 1). The crop projected county price for Pottawattamie county will be the simple average of the crop projected county prices for East and West Pottawattamie.

Selected per-acre revenue guarantee - The coverage

level percent expressed in decimals (.xxxx), times the expected per-acre revenue for each unit. **For basic and optional units, the selected per-acre revenue guarantee may vary.** For an enterprise unit, the selected per-acre revenue guarantee will be the same for all crop acres in the enterprise unit. For the whole farm unit, the selected per-acre revenue guarantee will be the same for all policy acres. The selected per-acre revenue guarantee cannot be greater than the maximum per-acre revenue guarantee or less than the minimum per-acre revenue guarantee.

Silage - A product that results from severing the plant from the land and chopping it for the purpose of livestock feed.

2. GUARANTEES, COVERAGE LEVELS AND PRICES

(a) Your unit revenue guarantee is determined by multiplying the crop selected per-acre revenue times the insured crop acreage, times your respective share.

(b) The crop projected county price is calculated as follows:

(1)The simple average of the final closing daily settlement prices in February on the CBOT December corn futures contract and November soybeans futures contract for the current crop year; and

(2)Subtract the applicable county adjustment factor (see section 1) from the result of section 2(b)(1). The crop projected county prices will be calculated by FCIC by March 5 of the current crop year.

(c) You must select the crop per-acre revenue guarantee or coverage level percent applicable to your unit structure by the sales closing date.

3. CONTRACT CHANGES

In accordance with section 5 of the Basic Provisions, the contract change date is December 31 preceding the cancellation date.

4. CANCELLATION AND TERMINATION DATES

In accordance with section 3 of the Basic Provisions, the cancellation and termination dates are March 15.

5. ANNUAL PREMIUM

The annual premium on a unit is determined using the following procedures for the different types of units.

(a) **Basic units:** The per-acre premium is found using the premium calculator. The annual premium for a basic unit equals the per-acre premium, times the number of insured acres in the unit, times your share.

(b) **Optional units:** The per-acre premium equals the premium from the premium calculator, times an optional unit surcharge factor. The optional unit surcharge factor is 1.22 for corn and 1.30 for soybeans. The annual premium for an optional unit equals the per-acre premium for the optional unit,

times the number of insured acres in the optional unit, times your share.

- (c) **Enterprise units:** The annual premium for a corn enterprise unit is found by totaling the annual premiums for corn as if basic units had been selected in a county, and then multiplying the total by the corn discount factor. The annual premium for a soybean enterprise unit is found by totaling the annual premiums for soybeans as if basic units had been selected in a county, and then multiplying the total by the soybean discount factor. The corn and soybean enterprise discount factors vary with the number of legally defined sections on which you have planted acreage (see section 1 of the Basic Provisions).

The enterprise unit discount factors are:

Number of Sections	Corn Discount Factor	Soybeans Discount Factor
1	1.000	1.000
2	0.850	0.760
3	0.810	0.690
4	0.790	0.650
5	0.775	0.610
6	0.760	0.590
7	0.750	0.580
8	0.745	0.570
9 or more	0.740	0.560

- (d) **Whole-farm units:** The annual premium on a whole-farm unit equals the total of the annual premiums for corn and soybeans as if enterprise units had been selected in a county, times the whole-farm discount factor. The whole-farm discount factor varies with the ratio of the total number of planted corn acres to the total number of planted corn acres and planted soybean acres in a county, rounded to the nearest tenth. The whole-farm unit discount factors are:

Ratio of Planted Corn Acres to Planted Corn Acres Plus Planted Soybean Acres	Whole-Farm Discount Factor
0.0	1.000
0.1	0.920
0.2	0.860
0.3	0.820
0.4	0.800
0.5	0.800
0.6	0.820
0.7	0.850
0.8	0.890
0.9	0.940
1.0	1.000

6. INSURED CROP

- (a) Corn - In accordance with section 9 of the Basic Provisions, the crop insured will be corn for which premiums are provided by the premium calculator:
 - (1) In which you have a share;
 - (2) That is adapted to the area based on days to maturity and is compatible with agronomic and weather conditions in the area;
 - (3) That is not (unless allowed by the Special Provisions):
 - (i) Interplanted with another crop; or

- (ii) Planted into an established grass or legume; and
- (4) That is planted for harvest as grain.
- (b) In addition to the provisions of section 6(a), the corn crop insured will be all corn that is yellow dent or white corn, including mixed yellow and white, waxy, high-lysine corn, high-oil corn blends containing mixtures of at least 90 percent high yielding yellow dent female plants with high-oil male pollinator plants, commercial varieties of high-protein hybrids, and excluding:
 - (1) High-amylose, high-oil except as defined in section 6(b), flint, flour, Indian, or blue corn, or a variety genetically adapted to provide forage for wildlife or any other open pollinated corn.
 - (2) A variety of corn adapted for silage use when the corn is reported for insurance as grain.
- (c) Soybeans - In accordance with section 9 of the Basic Provisions, the crop insured will be soybeans for which premiums are provided by the premium calculator:
 - (1) In which you have a share;
 - (2) That are adapted to the area based on days to maturity and is compatible with agronomic and weather conditions in the area;
 - (3) That are not (unless allowed by the Special Provisions):
 - (i) Interplanted with another crop; or
 - (ii) Planted into an established grass or legume; and
 - (4) That are planted for harvest as beans.

7. INSURABLE ACREAGE

In addition to the provisions of section 10 of the Basic Provisions, any acreage of the insured crop damaged before the final planting date, to the extent that a majority of producers in the area would not normally 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 under section 12 of the Basic Provisions, the calendar date for the end of the insurance period is the December 10 immediately following planting.

9. CAUSES OF LOSS

In accordance with the provisions of section 13 of the Basic Provisions, insurance is provided only against an unavoidable loss of revenue against the following causes of loss which 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;
- (h) Failure of the irrigation water supply, if applicable, due to a cause of loss contained in section 9(a) through (g) occurring within the insurance period; or
- (i) A decline in the county harvest price below the projected county price.

10. REPLANTING PAYMENTS

- (a) In accordance with section 14 of the Basic Provisions, replanting payments for corn and soybeans are allowed if the corn and soybeans are damaged by an insurable cause of loss to the extent that the remaining stand will not produce at least 90 percent of the selected per-acre revenue guarantee for the acreage and it is practical to replant. The projected county price is used to determine if 90 percent of the unit revenue guarantee can be achieved.
- (b) The maximum amount of the replanting payment per acre will be your share times the lesser of 20 percent of the selected per-acre revenue guarantee or:
- (1) For corn, an amount equal to 8 bushels times the projected county price;
 - (2) For soybeans, an amount equal to 3 bushels times the projected county price.
- (c) When the insured crop is replanted using a practice that is uninsurable as an original planting, the unit revenue guarantee will be reduced by the amount of the replanting payment which is attributable to your share. The premium amount will not be reduced.

11. DUTIES IN THE EVENT OF DAMAGE OR LOSS

In accordance with the requirements of 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 extend 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 is completed.

12. 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 using the following procedures:
- (1) **Basic and Optional units:** We will settle your claim on each basic or optional unit by :
 - (i) Multiplying the unit's selected per-acre revenue guarantee by the number of insured acres in the unit;
 - (ii) Multiplying the applicable county harvest price by production to count for each unit (see section 12(c) through e);
 - (iii) Subtracting the result of section 12(b)(1)(ii) from the result of section 12(b)(1) (i); and
 - (iv) Multiplying the results in section 12(b)(2)(iii) by your share.

If the result of section 12(b)(1)(iv) is greater than zero, an indemnity equal to that result will be paid to you. If the result of section 12(b)(1)(iv) is less than or equal to zero, no indemnity will be paid.
 - (2) **Enterprise units:** We will settle your claim on an

enterprise unit by :

- (i) Multiplying the enterprise unit's selected per-acre revenue guarantee by the number of insured acres on each unit as if basic units had been selected;
- (ii) Multiplying the applicable county harvest price by production to count for each unit as if basic units had been selected;
- (iii) Subtracting each result of section 12(b)(2)(ii) from each respective result of section 12(b)(2)(i);
- (iv) Multiplying each result in section 12(b)(2)(iii) by your share; and
- (v) Sum each of the results of section 12(b)(2)(iv).

If the result of section 12(b)(2)(v) is greater than zero, an indemnity equal to that result will be paid to you. If the result is less than or equal to zero, no indemnity will be paid.

- (3) **Whole-farm units:** We will settle your claim on a whole-farm unit by following the procedure described in section 12(b)(2)(i through iv) separately for corn and soybeans, using the whole-farm unit's selected per-acre revenue guarantee instead of enterprise units selected per-acre revenue guarantees in the section 12(b)(2)(i) calculations. If the result of section 12(b)(2)(v) for corn plus the result of section 12(b)(2)(v) for soybeans is greater than zero, an indemnity equal to the sum of the two results will be paid to you. If the sum of the two results is less than or equal to zero, no indemnity will be paid.

- (c) The total production to count in bushels from all insurable acreage on the unit will include:
- (1) All appraised production as follows:
 - (i) Not less than the selected per-acre revenue guarantee (approved yield, times the coverage level percent, times the projected county price) will be used for such acreage:
 - (A) That is abandoned;
 - (B) Put to another use without our consent;
 - (C) Damaged solely by uninsured causes; or
 - (D) For which you fail to provide records of production that are acceptable to us;
 - (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(d)); and
 - (iv) 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 the insurable acreage.

- (d) Mature crop production (excluding silage type or corn insured or harvested as silage) 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:

- (i) Fifteen percent for corn (If moisture exceeds 30 percent, production will be reduced 0.2 percent for each 0.1 percentage point above 30 percent); and
(ii) Thirteen percent for soybeans.

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 Grain, result in:

(A) Corn not meeting the grade requirements for U.S. No. 4 (grades U.S. No. 5 or worse) because of test weight or kernel damage (excluding heat damage) or having a musty, sour, or commercially objectionable foreign odor; or

(B) Soybeans not meeting the grade requirements for U.S. No. 4 (grades U.S. Sample grade) because of test weight or kernel damage (excluding heat damage) or having a musty, sour, or commercially objectionable foreign odor (except garlic odor), or which meet the special grade requirements for garlicky soybeans; or

- (ii) 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 resulted from a cause of loss against which insurance is provided under these crop provisions;
(ii) All determinations of these deficiencies, substances, or conditions are made using samples of the production obtained by us or by a disinterested third party approved by us; and
(iii) The samples are analyzed by a grader licensed under the authority of the United States Grain Standards 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. (Test weight for quality adjustment purposes may be determined by our loss adjuster.)

(4) The grain production that is eligible for quality adjustment, as specified in sections 12(d)(2) and (3), will be reduced by the quality adjustment factor contained in the Special Provisions.

- (e) 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 60 percent of your selected per-acre revenue guarantee for timely planted acreage. If you have limited or additional levels of coverage, as specified in 7 CFR part 400, subpart T, and pay an additional premium, you may increase your prevented planting coverage to a level specified in the actuarial documents.