

## **SUMMARY OF CHANGES FOR THE STRAWBERRY PILOT CROP PROVISIONS (2005-110)**

The following is a brief description of changes to the Strawberry Crop Provisions that will be effective for the 2005 crop year. Please refer to the crop provisions for more complete information. These modifications include, but are not limited to:

- (a) Section 1 – Deleted definition of “average price received” that is used in Section 11, Settlement of Claim. The price per pound will be used to determine production value.
- (b) Section 1 – Deleted definition of “Number of Pickings”. Added definition of “First Handler” for clarification.
- (c) Section 1 – Added definition of “Harvest delay” for clarification.
- (d) Section 1 – Modified the definition of “Marketable production” so that it specifies that the quality of the berries is the determinant for buyer acceptance not the market.
- (e) Section 3(a) – Changed the “may” to “must” for reporting requirements.
- (f) Section 3(a)(2) – Modified to include reporting requirements for producers who are also brokers, processors, shippers or other first handlers.
- (g) Section 3(b),(c) – Added clarification language.
- (h) Section 6(h) – Modified the “or” to “and” to specify the producer must have met both conditions, having grown and managed a farm that produced strawberries, and changed the number of years an insured must have grown strawberries and managed the production of strawberries.
- (i) Section 7(c) – Added clarification language.
- (j) Section 8(b)(2) – Added provisions that coverage may end if interplanting occurs and it is designated on the Special Provisions.
- (k) Section 8(b)(3) – Changed the end of coverage for Florida from April 30 to March 31.
- (l) Section 8(c),(d) – Added provisions that clarify coverage ends for strawberries once they are harvested.
- (m) Section 9(a)(3) – Added provisions to exclude insects and disease as causes of loss if designated on the Special Provisions.
- (n) Section 10(c) – Modified the notification requirement for production to be sold for cash or to be direct marketed.
- (o) Sections 10(c), 10(c)(1), 10(c)(2)(iii), 11(c)(1)(v), 11(c)(4) – Changed to include cash sales to be treated the same as direct marketed production.
- (p) Section 10(d)(e) – Modified for clarification.
- (q) Section 10(f) – Added provisions to account for production due to harvest delays.
- (r) Section 10(g) – Added notification requirements for producers who are also a broker, processor, shipper, or first handler.
- (s) Section 10(h) – Added provisions for producers who are brokers, processors, shippers, or other first handlers, but have production that is direct marketed or sold for cash.
- (t) Section 10(i) – Added provisions for results of failure to notify.
- (u) Section 11(c)(1)(vi) – Added provisions to value production if records are not provided as specified in Section 10(g).
- (v) Section 11(c)(5) – Added provisions to value production not accounted for in producer records.
- (w) Sections 11(c)(3), 11(c)(4), and 14(b)(1) – Changed the price used to value harvested production from the average price received to the price received for each pound of strawberries.



**UNITED STATES DEPARTMENT OF AGRICULTURE  
Federal Crop Insurance Corporation  
STRAWBERRY PILOT CROP PROVISIONS**

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

**1. Definitions.**

**Allowable Cost** - The dollar amount per pound for harvesting and handling as shown in the Special Provisions.

**Amount of insurance** - The amount shown on the actuarial documents for the corresponding coverage level percentage you select.

**Annual** - Strawberry nursery stock transplanted into the insured field and destroyed prior to the following crop year.

**Crop Year** - The period from the date insurance attaches until harvest is normally completed, which is designated by the calendar year in which the majority of the strawberries are normally harvested.

**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.

**First handler** - A person or entity who takes possession of, or purchases, your insured crop for the purpose of acting as an intermediary in the marketing/sales process.

**Harvest** - The picking or removal of strawberries from the plant.

**Harvest delay** - When the number of days between your strawberry harvests exceeds the number of days shown on the Special Provisions.

**Marketable production** - Strawberries that meet or exceed the grading standards specified in the Special Provisions, or of such quality that would be accepted by a packer, processor, or other handler even if failing to meet grading standards.

**Minimum Value** - A dollar amount per pound shown in the Special Provisions that we will use to value marketable production.

**Picking Factor** - The estimated average number of days between strawberry harvests, as shown on the Special Provisions.

**Pound** - Sixteen ounces avoirdupois.

**Strawberry** - The fruit of the Rosaceae fragaria plant, grown for commercial sale and intended for human consumption.

**Type** - Describes the planting system used, such as "winter planting system" or "summer planting system".

**2. Unit Division.**

(a) In addition to the definition of "basic unit" in section 1 of the Basic Provisions, a basic unit may also be established by type.

(b) In addition to section 34(c)(1) of the Basic Provisions, optional units may be established if each optional unit is located on non-contiguous land, unless limited by the Special Provisions.

(c) Provisions contained in 34(c)(2) of the Basic Provisions, do not apply to strawberries.

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

(a) In addition to the requirements of section 3 of the Basic Provisions, you must:

(1) Select only a single coverage level and the corresponding amount of insurance designated in the actuarial documents for all strawberries in the county insured under this policy; and

(2) Report if you are, or become, a broker, processor, shipper, or other first handler by the acreage reporting date or, if it occurs after the acreage reporting date within 5 days of the date you began to act in this capacity. Failure to timely report will result in an appraised value of production not less than the dollar amount of insurance per acre if such failure results in our inability to accurately separate your production from any other production you received in your capacity as a broker, processor, shipper or other first handler.

(b) In lieu of the production reporting requirements in section 3 of the Basic Provisions, any production reporting requirements for this crop will be specified in the Special Provisions.

(c) If specified on the Special Provisions, we may limit your amount of insurance if you have not produced the minimum production of the insured crop contained in the Special Provisions in at least one of the most recent three crop years.

**4. Contract Changes.**

In accordance with section 4 of the Basic Provisions, the contract change date is April 30 preceding the cancellation date.

**5. Cancellation and Termination Dates.**

In accordance with section 2 of the Basic Provisions, the cancellation and termination dates are July 31 for California and August 31 for all other States.

**6. Insured Crop.**

In accordance with section 8 of the Basic Provisions, the crop insured will be all strawberries in the county for which a premium rate is provided by the actuarial documents:

(a) In which you have a share;

(b) That are of varieties adapted to the area;

(c) That are grown as an annual;

(d) That are transplanted;

(e) That are grown in accordance with any cultural requirements that may be specified in the Special Provisions;

(f) That are irrigated;

(g) That are grown for commercial sale;

- (h) That are grown by a person who in at least three of the five previous crop years produced, and managed a farm that produced, the minimum production of strawberries contained in the Special Provisions for commercial sale.

#### **7. Insurable Acreage.**

In addition to the provisions of section 9 of the Basic Provisions:

- (a) We will not insure;
  - (1) Any acreage that does not meet the cultural requirements contained in the Special Provisions; and
  - (2) Any acreage planted prior to the earliest planting date if one is specified in the Special Provisions.
- (b) Any acreage of the insured crop damaged before the final planting date, to the extent that a majority of 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. It will not be considered practical to replant if transplants are not available.
- (c) Acreage limitations, if any, will be contained in the Special Provisions.

#### **8. Insurance Period.**

In addition to the provisions of section 11 of the Basic Provisions:

- (a) Coverage begins on each unit or part of a unit the date when the insured crop is transplanted into the field, except as provided in section 7(a).
- (b) Coverage ends on each unit or part of a unit at the earliest of:
  - (1) The date harvest should have started on acreage that will not be harvested;
  - (2) If designated in the Special Provisions, the date the insured crop is interplanted with another crop; or
  - (3) The calendar date following planting:
    - (i) March 31, for Florida; or
    - (ii) July 31, for all other states
- (c) Coverage ends on strawberries upon harvest.
- (d) Production of the insured crop harvested and shipped is presumed to be marketable and there is no coverage for damage discovered when the insured crop has reached its destination. All such production will be included in the total value of production to count determined in accordance with section 11(c).

#### **9. Causes of Loss.**

- (a) In accordance with the provisions of section 12 of the Basic Provisions, insurance is provided only against the following causes of loss that occur within the insurance period:
  - (1) Adverse weather conditions;
  - (2) Fire;
  - (3) Insects and disease, unless excluded by the Special Provisions, but not damage due to insufficient or improper application of pest and disease control measures;
  - (4) Wildlife;
  - (5) Earthquake;
  - (6) Volcanic eruption;
  - (7) Failure of the irrigation water supply from an insurable cause specified in this section 9(a)(1) through (6) that occurs during the insurance

period; or

- (8) Any other causes of loss as shown on the Special Provisions.

- (b) In addition to the causes of loss excluded in section 12 of the Basic Provisions, we will not insure against damage or loss due to:

- (1) Failure to harvest in a timely manner;
- (2) The inability to market the strawberries 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; or
- (3) Soil salinity.

#### **10. Duties in the Event of Damage or Loss.**

In addition to the requirements of section 14 of the Basic Provisions, the following will apply:

- (a) You must notify us within 3 days of the date harvest should have started if the insured crop will not be harvested.
- (b) If damage occurs during harvest, and you do not intend to complete harvesting the insured crop, you must notify us immediately so that we can inspect the insured acreage.
- (c) You must notify us at least 10 days before any production from any unit that will be sold by direct marketing or sold for cash:
  - (1) We may conduct an initial inspection and appraisal before any production to be direct marketed or sold for cash is harvested.
  - (2) If damage occurs, you must notify us immediately and the following will apply:
    - (i) We will conduct an inspection.
    - (ii) The inspection and acceptable records (as described in the Special Provisions) provided by you will be used to determine your value of production to count.
    - (iii) If you continue to care for the crop, the calculation of the value of the production to count, as specified in section 11(c)(4), will be suspended until you notify us of the date of the first harvest after damage.
- (d) If you intend to claim an indemnity on any unit, you must notify us at least 5 days prior to the beginning of harvest if you intend to harvest the crop, or immediately if damage is discovered during harvest.
- (e) You must not destroy any damaged plants until after we have given you written consent to do so.
- (f) You must notify us within 2 days if you experience a harvest delay for any of the harvestings of the insured crop, or if your date of first harvest is later than the date specified on the Special Provisions, so that we may inspect or appraise the insured acreage.
- (g) If you are a broker, processor, shipper or other first handler, you must notify us at least 10 days before harvest or the end of insurance period, whichever is earlier. We may conduct an appraisal or inspection that will be used to determine your value of production to count. If damage occurs after this appraisal, we will conduct an additional appraisal. If damage occurs you must:

- (1) Furnish us with all marketing records for all production and records of subsequent deliveries or sales of such production to other buyers, brokers, processors, shippers, or other first handlers;
- (2) Provide marketing records that show the name and address of each entity that purchases the insured crop and the prices received;
- (3) Provide us, or our authorized representative, access to the strawberry production, any marketing records, and to all facilities in which the marketing records are maintained. Our appraisals, and acceptable records provided by you, will be used to determine your value of production to count. Failure to give us timely notice will result in an appraised value of production that is not less than the dollar amount of insurance per acre.
- (h) In addition to the requirements in section 10(g), if you are a buyer, broker, processor, shipper, or other first handler who sells production by direct marketing or for cash, you must also be in compliance with section 10(c).
- (i) Failure to give timely notice that production will be sold by direct marketing or sold for cash will result in an appraised amount of not less than the dollar amount of insurance per acre if such failure results in our inability to accurately determine the amount of production. For failure to give timely notice of a harvest delay, the value of production will be calculated in accordance with section 11(c)(5).

#### 11. Settlement Of Claim.

- (a) We will determine your loss on a unit basis. In the event you are unable to provide separate, acceptable marketing records:
  - (1) For any optional unit, we will combine all optional units for which such marketing 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 by:
  - (1) Multiplying the insured acreage by the amount of insurance per acre;
  - (2) Subtracting from the result of section 11(b)(1):
    - (i) For other than catastrophic risk protection coverage, the total value of production to be counted (see section 11(c)); or
    - (ii) For catastrophic risk protection coverage, the result of multiplying the total value of production to be counted (see section 11(c)) by fifty-five percent; and
  - (3) Multiplying the result of section 11(b)(2) by your share.  
For example, on a unit:  
You have 100 percent share in 10 acres of strawberries with an amount of insurance of \$5,500 per acre. The total value of your production to count is \$10,500. Your indemnity will be calculated as follows:
    - (i) 10 acres x \$5,500 = \$55,000 amount of

- insurance;
  - (ii) \$55,000 amount of insurance - \$10,500 production value = \$44,500 loss; and
  - (iii) \$44,500 x 100 percent share = \$44,500 indemnity payment.
- (c) The total value of production to count from all insurable acreage on the unit will include:
    - (1) Not less than the amount of insurance per acre for any acreage:
      - (i) That is abandoned;
      - (ii) Put to another use without our consent;
      - (iii) From which production is sold by direct marketing or sold for cash and you fail to meet the requirements contained in section 10(c);
      - (iv) That is damaged solely by uninsured causes;
      - (v) That is not direct marketed or sold for cash, for which you fail to provide acceptable marketing records; or
      - (vi) That you fail to provide records if required by section 10(g).
    - (2) The value of appraised production will not be less than the dollar amount obtained by multiplying the pounds of appraised strawberries by the minimum value for:
      - (i) Potential production on any acreage that has not been harvested;
      - (ii) Unharvested production that is marketable but that is damaged or defective due to uninsurable causes;
      - (iii) Production lost due to uninsured causes;
      - (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 it is prior to the initial harvest and 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. If you do not leave the required samples intact, or 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. The amount of production to count for such acreage will be based on:
          - (1) The harvested production, if applicable; and
          - (2) Appraisals based on the expected remaining production adjusted for any reduction in plant stand; or
        - (B) If it is after the initial strawberry harvest, the amount of remaining production to

count for such acreage will begin with the next strawberry harvest or appraisal when the next harvest should have occurred. The amount of production to count for such acreage will be based on:

- (1) The harvested production, if applicable; and
  - (2) Appraisals based on the expected remaining production adjusted for any reduction in plant stand;
- (3) The value of all harvested production will be the dollar amount obtained by subtracting the allowable cost contained in the Special Provisions from the price received for each pound of strawberries sold (this result will not be less than the minimum value shown in the Special Provisions), and multiplying this result by the pounds of marketable strawberries. Harvested production that is damaged or defective due to insurable causes, and that is not marketable, will not be included in the value of harvested production.
- (4) The value of production that is direct marketed or sold for cash, as determined by the inspection and acceptable records (as described in the Special Provisions) provided by you, will be the dollar amount obtained by subtracting the allowable cost contained in the Special Provisions from the price received for each pound of strawberries sold (this result will not be less than the minimum value shown in the Special Provisions), and multiplying this result by the pounds of marketable strawberries.
- (5) The value of production not accounted for in your records due to a harvest delay will be determined by multiplying the appraised production, using the pick factors and the estimated pounds per picking contained on the Special Provisions, times the minimum value, unless we are able to accurately determine the amount of production.

#### **12. Late and Prevented Planting.**

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

#### **13. Written Agreements.**

The written agreement provisions in section 18 of the Basic Provisions are not applicable.

#### **14. Modified Minimum Value Option.**

- (a) The provisions of this option are continuous and will be attached to and made a part of your insurance policy, if:
- (1) You elect the modified minimum value in **either** Option I **or** Option II as contained in the Special Provisions of the Modified Minimum Value Option on your application, or on a form approved by us, on or before the sales closing date for the initial crop year in which you wish to insure strawberries under this option, and pay the additional premium indicated in the actuarial documents for this optional coverage; and
  - (2) You have not elected coverage under the Catastrophic Risk Protection Endorsement.
- (b) In lieu of the provisions contained in section 11(c)(3) and

11(c)(4), the total value of harvested production will be determined as follows:

- (1) For sold production, the dollar amount obtained by:
    - (i) Subtracting the allowable cost contained in the Special Provisions from the price received for each pound of strawberries sold (this result will not be less than the modified minimum value in either Option I or Option II, as elected by you for any pound of strawberries);
    - (ii) Multiplying each resulting price in subparagraph (i) by the pounds of strawberries sold at that price; and
    - (iii) Totaling all the results of subparagraph (ii)
  - (2) For marketable production that is harvested, but not sold, the dollar amount obtained by multiplying the pounds of such strawberries on the unit by the minimum value shown in the Special Provisions, without regard to your election of the modified minimum value in Option I or Option II (harvested production that is damaged or defective due to insurable causes and is not marketable will not be counted as production).
- (c) This option may be canceled by either you or us for any succeeding crop year by giving written notice on or before the cancellation date preceding the crop year for which the cancellation of this option is to be effective.