UNDERWRITING GUIDELINES FOR THE MINT PILOT PROGRAM

June 24, 2004

Note: The term Basic Coverage refers to Mint Coverage without the Winter Coverage Option.

1 Procedures contained in the FCIC 18010 Crop Insurance Handbook (CIH) apply to Mint, unless otherwise specified.

1A Mint is a Category B Crop.

1B Differences in the procedures are indicated on the CIH Procedure Comparison & Reference Guide (See Section 5).

2 (Not Applicable to CAT policies [NACAT]⇒ Mint Winter Coverage Option, RMA approved Mint Winter Coverage Option.

2A Allows the insured to elect winter coverage protection.

2B If the Winter Coverage Option is elected, a new insured must elect the option on the application. If a carryover insured, the option must be elected on a contract change form and submitted on or before the applicable fall sales closing date for the crop year in which the insured wishes the option to be effective. This is a continuous option and may be canceled in accordance with the cancellation provisions contained in the Pilot Mint Crop Provisions.

2C RMA approved Pilot Mint Crop Provisions must be in force and all the terms and conditions of the policy adhered to.

2D The Mint Winter Coverage Option protects the crop from the first day after the calendar date for the end of the insurance period in the fall until Basic Coverage attaches on acreage with an adequate stand the following spring. ⇐NACAT)

2E For APH Purposes, production reports must include production and acreage of mint covered by the Winter Coverage Option for which a payment was made.

3 Section 6F of FCIC 18010 Multipurpose Production and Yield Worksheet
This form is used to adjust commingled mint oil production distilled from more than one unit into one barrel.

4 Acceptable Supporting Records: Still records, settlement, ledger, assembly sheets, and farm management records that show mint oil production in pounds; storage records that show pounds or number of barrels.

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5 CIH Procedure Comparison & Reference Guide

APH (MPCI)	Mint	CIH References
Production Reports by Unit (Basic or Optional)	Yes	Section 4 D(3)-(4), & Exhibit 2
Separate APH by P/T/V	Yes	Section 6 E(2)
Separate APH by Map Area	Yes (high-risk land if applicable)	Section 6 E(2)
"T" Yields (FCI-35)	Yes	Section 6E
Variable T Yield	Yes	Section 6 C(2)
Assigned Yields	Yes	Section 6 H(2)(b)
Temporary Yields	No	NA
Zero Planted Acres	Yes	Section 6 H(1)(d)
Yield Descriptors	Yes	Section 6 D
New Producer Procedures	Yes	Section 6 C(3),(4), & Exhibit 37
Cups and Yield Floors	Yes	Section 6 I
Exclude High-Risk Land	Yes	Section 4E(2) & Exhibit 24
Separate Instructions by Crop	Yes	NA
Added Land	Yes	Exhibit 36
Production Reporting Date	Yes	See Section 3
Another Producer=s Records	Yes	Section 10 E
Multipurpose Production and Yield Worksheet	Yes	Section 6 F as modified on Page 1 Section 3 of these Underwriting Guidelines

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Note: The procedures in sections 6 and 7 are required for pre-acceptance and underwriting purposes and are suggested for self-certification purposes.

6 ADEQUATE STAND DETERMINATIONS

6A General Information

Adequate stand determinations are necessary to determine the insurability of mint acreage for Basic Coverage and the Winter Coverage Option. Basic Coverage begins on acreage with an adequate stand on the date specified in the policy and ends when the crop is harvested or destroyed. It provides an insurance guarantee, in pounds of oil per acre, based on the approved APH yield for a unit. The Winter Coverage Option attaches to acreage with an adequate stand on the date specified in the policy or to newly planted acreage when the crop is planted and ends on the date specified in the policy. The Option provides a guarantee equivalent to 60 percent of the guarantee for Basic Coverage and protects the insured against stand loss. Adequate stand determinations are used for all:

Pre-acceptance Inspections.
Required spot checks.
Verification of stand during loss adjustment.
Verification of self-certification reporting by the insured.

The method used to determine adequate stand depends on the type of coverage selected by an insured, timing during the insurance period, and the existence of field rows. Methods for each type of coverage and field condition identified below are explained in Paragraph 6B:

A(1) Winter Coverage Option - Fall Season mint without rows - Ground cover measurement.

A(2) Winter Coverage Option - Fall Season mint in rows - Skip measurement.

A(3) Basic Coverage - Spring Season mint without rows - Plant count.

A(4) Basic Coverage - Spring Season mint in rows - Plant count.

Calculate and record the results on the Underwriting Report/Pre-Acceptance Inspection/Self-Certification Worksheet. Determine the insurability of the acreage using minimum plant count per square foot or minimum percent stand stated in the Special Provisions.

6B Methods

B(1) Winter Coverage Option - Fall Season mint without rows: When rows are not discernable, a grid is used to determine the percent of stand. Refer to Paragraph 7

for explanation of the measurement grid and Sample Selection Standards. The grid is placed over the sample area to be examined. Each grid area sampled contains 36 6 inch by 6 inch sectors. A sample consists of three consecutive grid frame counts totaling 27 square feet. The number of inadequate sectors is counted in each grid before it is repositioned.

(1)(a) Grid sectors with mint plants or live stolons are considered as having ground cover.

(1)(b) Sectors with bare ground, no live plants, no live mint foliage, no live stolons, or only non-mint vegetation will be recorded as inadequate sectors.

(1)(c) When all samples are evaluated, sum all inadequate sectors.

(1)(d) Determine Percent of Ground Cover by:
(Total sectors - inadequate sectors) ÷ Total Sectors = Percent Ground Cover

Example:

Three samples are taken (3 x 36 sectors per grid X 3 grid frames = 324 total sectors). A total of 66 negative sectors were determined during the inspection.

The result is:
324 sectors - 66 negative sectors = 258 ÷ 324 = 80 percent Ground Cover

B(2) Winter Coverage Option - Fall Season mint in rows: Newly planted mint or mint with discernable field rows. Refer to Paragraph 7 for Sample Selection Standards. Using a measuring tape and survey flags, measure a representative sample 25 feet long in the row to be evaluated. Examine the sample for skips in mint plants, foliage, or stolons.

(2)(a) Measure all skips two or more feet long that are void of live mint plants, foliage, or stolons.

(2)(b) When all samples are evaluated, sum the number of row feet of skips.

(2)(c) Determine Percent of Ground Cover by:
(Total feet measured - Feet of skips) ÷ Total feet measured = Percent Ground Cover

Example:

40 acres are inspected.
4 samples at 25 feet each are sampled.
24 feet of skips are recorded.

The result is:
4 samples x 25 feet/sample = 100 feet - 24 feet (skips) = 76 ÷ 100 feet total = 76 Percent Ground Cover

B(3) Basic Coverage - Spring Season mint without rows: When rows are not discernable, adequate plant counts will be determined by counting plants per square foot. The grid is placed over the sample area to be examined. A sample consists of three consecutive grid frame plant counts, totaling 27 square feet. The plant counts taken in each grid before it is repositioned. When mint without rows has bare spots resulting in a streak appearance, each sample will be taken across the streak pattern. Refer to Paragraph 7 for an explanation of the grid frame and Sample Selection Standards.

(3)(a) Record the number of live mint plants found inside the grid frame for the sample (27 square feet).

(3)(b) When all samples are evaluated, sum the number of live mint plants.

(3)(c) Determine the number of plants per square foot by:
(Total mint plants counted ÷ number of samples) ÷ 27 square feet per sample = Plants Per Square Foot

Example:

60 acres are inspected.
5 samples are taken.
216 live plants counted.

The result is:
(216 plants counted ÷ 5 samples) ÷ 27 square feet per sample = 1.6 Plants Per Square Foot

B(4) Basic Coverage - Spring Season mint in rows: Newly planted mint or mint with discernable field rows. Refer to Paragraph 7 for Sample Selection Standards. Using a measuring tape and survey flags, measure a representative sample 25 feet long in the row to be evaluated. A count of live mint plants will be made. To determine the number of plants per square foot:

(4)(a) Count the number of live mint plants in each 25-foot length of selected rows.

(4)(b) When all samples are evaluated, sum:

Plants counted in each sample taken.
The length of all samples taken (in feet to tenths).

(4)(c) Plants Per Square Foot = Total Plant Count ÷ [Total length of all Samples (ft.) x Row Width (in feet to tenths)]

Example:

40 acres are inspected.
4 samples at 25 feet long each with 36-inch wide rows (3 feet)
480 live plants counted.

The result is:
480 plants ÷ [(25 feet/sample x 4 samples = 100 feet) x (3 foot row width)] = 480 plants ÷ [300 sq. ft.] = 1.6 Plants Per Square Foot.

7 SAMPLE SELECTION STANDARDS FOR PLANT COUNT AND GROUND COVER DETERMINATIONS

7A General Information

Determine the number of recommended samples by field size and variability of the mint stand within the field or subfield. Split a field into subfields when significant plant number or ground cover variation exists within a field; or, when the insured wishes to destroy part of the field.

Take as many samples as necessary for an accurate determination. See the minimum sample number table below. Use of fewer than the recommended samples must be explained on a Special Report and attached to a Pre-Acceptance Inspection Worksheet.

Use the required number of viable plants per square foot and/or percent of ground cover established by the actuarial table to determine insurability of all mint acreage.

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7B Minimum Adequate Stand Sample Table

Acres in Field or Subfield	Required Minimum Number of Samples
0.1 - 10.0	3
10.1- 40.0	4
Add one additional sample for each additional 40.0 acres (or fraction thereof) in the field or subfield.	

7C Sampling Procedure

C(1) Select the appropriate number of samples to be taken for the field size.

C(2) Determine the number of live mint plants or percent of ground cover within each representative sample area. When skips are measured within 25 feet long row samples, use survey flags and a measuring tape with 1/10 foot increments.

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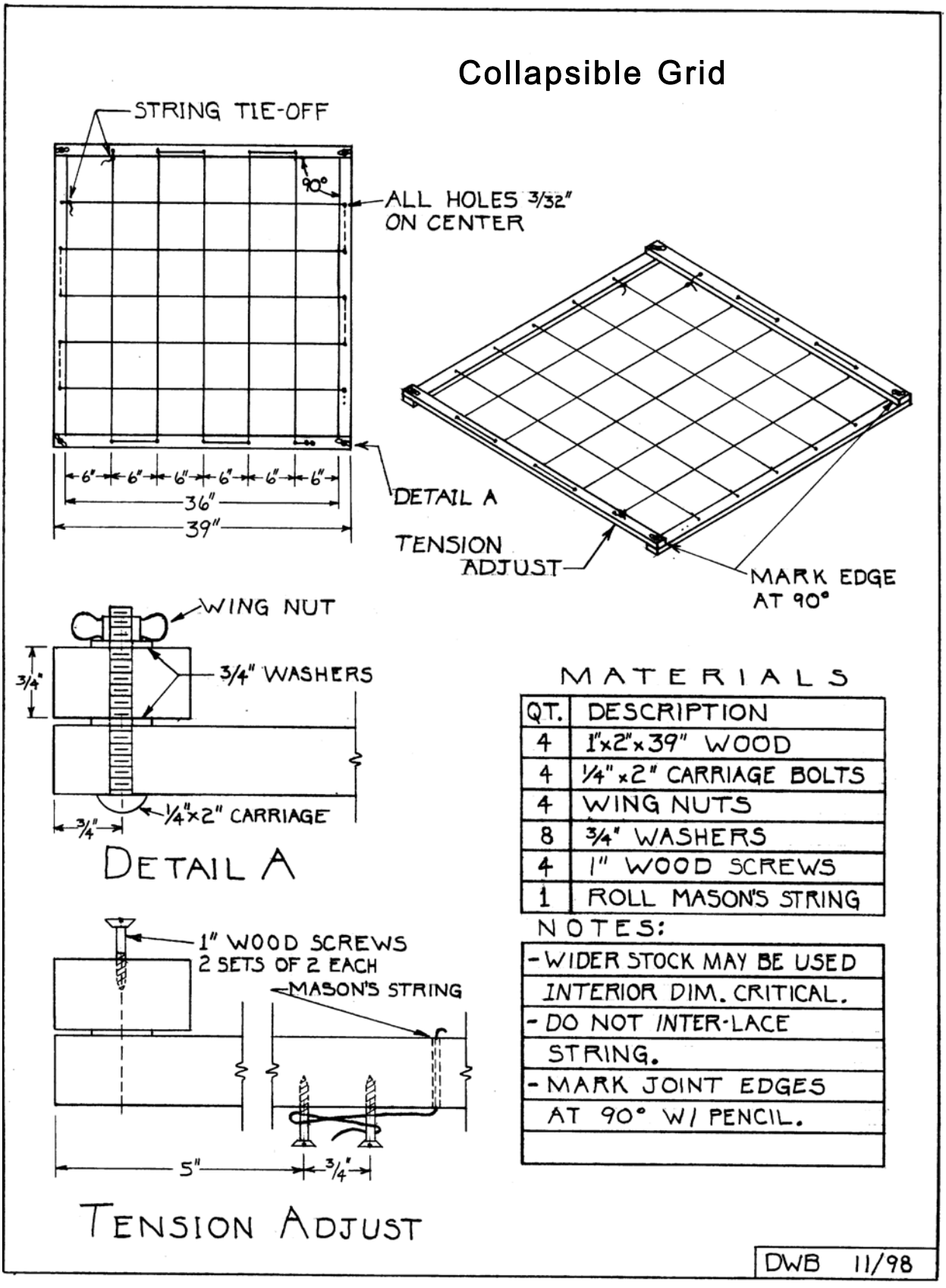
7D Collapsible grid frame (6 inch by 6 inch sectors; 9 square feet total inside area)



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8 UNDERWRITING REPORT / PRE-ACCEPTANCE INSPECTION / SELF-CERTIFICATION WORKSHEET

8A CONDITION OF ACCEPTANCE

An underwriting/pre-acceptance inspection/self-certification report must be completed prior to the acceptance of any application for insurance of a mint crop and at certain other times.

The mint report serves three purposes. It is used: 1) To record the results of a pre-acceptance inspection; 2) By company underwriters to determine insurability of mint acreage; and 3) By insureds to self-certify acreage, stand adequacy, and stand age after the first crop year the acreage is insured.

A(1) Pre-acceptance Inspections will be completed by an authorized company inspector for all first year applications.

A(2) Self-certification reports must be completed and submitted by the insured prior to the date insurance attaches for subsequent years after the first year of insurance.

Insurance will not attach at the beginning of the insurance period on any mint acreage that does not have an adequate stand as established by the special provisions.

Insurance will not attach on any mint acreage that exceeds the maximum stand age established by the special provisions.

Insurance will not attach on any mint acreage that does not comply with the rotation requirements established by the special provisions.

Pre-acceptance inspections for the Winter Coverage Option must be completed after normal harvest time and by November 15. The insured must be notified by November 15 of any acreage inspected that is uninsurable. Self-certifications for the Winter Coverage Option must be completed by the insured by the date coverage begins (see crop provisions for applicable dates).

Pre-acceptance inspections and self-certifications for Basic Coverage must be completed within the two-week period before insurance attaches.

8B UNDERWRITING REPORT / PRE-ACCEPTANCE INSPECTION/SELF-CERTIFICATION WORKSHEET

FOR ILLUSTRATION PURPOSES ONLY **UNDERWRITING REPORT/ PRE-ACCEPTANCE INSPECTION/ SELF-CERTIFICATION WORKSHEET**	COMPANY NAME:	1. APPLICANT NAME	
	2. STATE & COUNTY	3. AGENT NAME	4. POLICY NUMBER / 5. CROP YEAR

6 UNIT NUMBER	7 MAP FIELD ID	8 FSN NUMBER	9 ACRES TO 10THS (XX.X)	10 TYPE	11 DATE PLANTED (XX-XX-XX)	12 IRRIGATED YES	12 IRRIGATED NO	13 STAND COUNT PER SQ. FOOT (X.X)	14 WINTER COVERAGE OPTION PERCENT STAND (XX%)	15 OFFICIAL USE ONLY ACCEPTANCE YES	15 OFFICIAL USE ONLY ACCEPTANCE NO

The information I have furnished on this form is complete and accurate. I understand that any false or inaccurate information may result in the sanctions outlined in my policy and administrative, civil, and criminal sanctions under 18 U.S.C. §§ 1006 and 1014, 7 U.S.C. §§ 1506, 31 U.S.C. §§ 3729 and 3730 and other federal statutes.

16. APPLICANT OR SELF-CERTIFIER SIGNATURE	DATE	17. INSPECTOR=S SIGNATURE	DATE

Pg. _____ of _____

8C Instructions for completing the Mint Underwriting Report/Pre-Acceptance Inspection/Self-Certification Worksheet

General Instructions
Attach the following:
CURRENT CROP YEAR AERIAL PHOTOGRAPH OR GLOBAL POSITIONING SYSTEM (GPS) MAP OF UNIT: For new insureds, new mint acreage, and unit structure changes; document field acres and locations on the aerial photograph or GPS map.

SPECIAL REPORT SHOWING ADEQUATE MINT STAND DETERMINATIONS: This is required for underwriting report and pre-acceptance purposes and suggested for self-certification purposes. Include all information and calculations used to determine adequate stand.

COPY OF ACTUAL PRODUCTION HISTORY REPORT (APH): Include the APH used for the insured crop year or production report for the previous crop year.

Itemized Instructions
Company Name: Name of company and agency servicing the contract.

1. Applicant Name: Name of the insured person.
2. State &County: Enter the state and county name and codes.
3. Agent Name: Enter the name, address, and phone number of the agent servicing the policy.
4. Policy Number: Enter the policy number from the most recent Policy Confirmation.
5. Crop Year: Enter the crop year the inspection or self-certification applies to.
6. Unit Number: Enter appropriate unit numbers.
7. Map Field ID: Enter the number or name of the field or unit corresponding to the aerial photograph of the acreage.
8. FSN Number: Enter the FSA Farm Serial Number (FSN), as applicable.
9. Acres to 10ths: Measure and record all acreage to tenths.
10. Type: Enter the three-digit type code from the actuarial documents.
11. Date Planted: Enter the date (Mo/Day/Yr) mint was initially planted.
12. Irrigated: Indicate whether or not the acreage is irrigated.
13. Stand Count Per Square Foot: Enter the stand determination results that apply to Basic Coverage.
14. Winter Coverage Option Percent Stand: Enter the stand determination results that apply to the Winter Coverage Option (if applicable).
15. Official Use Only: This column is used by an authorized company representative to accept or reject coverage on a field or unit based on stand determinations and age of mint stands.
16. Applicant or Self-Certifier Signature: Circle either Applicant or Self-Certifier, sign, and date.
17. Inspector: Signature of authorized company inspector performing the inspection and date completed.

Page Numbers (Example: Page 1 of 1, page 1 of 2, page 2 of 2, etc.)