

FRESH MARKET BEANS

INSURANCE STANDARDS HANDBOOK

2011 and Succeeding Crop Years

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Handbook Number: 20130U**

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1 GENERAL INFORMATION

A. Purpose

The Fresh Market Bean Insurance Standards Handbook provides instructions for establishing crop insurance coverage and to adjust losses in accordance with the Fresh Market Bean Crop Provisions (11-0105), and as a supplement to the Crop Insurance Handbook (FCIC 18010), the Loss Adjustment Manual (FCIC 25010) Standards Handbook, the Fresh Market Bean Loss Adjustment Standards Handbook (FCIC 25760), and any other issuance that may be referenced herein.

B. Source of Authority

The Fresh Market Crop Provisions is a privately-developed product submitted in accordance with Section 508(h) of the Federal Crop Insurance Act.

C. Duration

The Fresh Market Crop Provisions will terminate at the end of the 2014 crop year, unless cancelled or extended by FCIC.

D. AIP Option to Offer

Because it is a 508(h) submission, AIPs are not required to offer the Fresh Market Crop Provisions to producers. Accordingly, each AIP must determine whether they will offer the Fresh Market Crop Provisions in the approved area. AIPs that elect to offer the Fresh Market Crop Provisions must offer it to all eligible producers in the approved area, and must administer the program according to the procedures in this handbook.

E. Approved Area

The Fresh Market Crop Provisions is available in Allegany, Cayuga, Genesee, Herkimer, Monroe, Orleans, Oneida, Steuben, and Yates counties in New York; Chowan, Hyde, Tyrell, and Washington counties in North Carolina; and Accomack and Northampton counties in Virginia.

2 STANDARDS AND INSTRUCTIONS

A. Operational References

In general, the FCIC 18010 Crop Insurance Handbook (CIH), FCIC 25010 Loss Adjustment Manual (LAM) Standards Handbook, and FCIC 25760 Fresh Market Bean Loss Adjustment Standards Handbook (LASH) apply to the fresh market bean crop insurance program. Exceptions, changes, and additions necessary for and unique to fresh market beans are referenced in this guide.

All procedures, rules, and requirements for Category B APH crops apply to fresh market beans, and are supplemented with additional instructions in this underwriting guide.

Note: if a conflict exists between the language of this guide and the CIH, LAM Standards Handbook, or the Fresh Market Bean LASH, the language of this guide will control.

B. Overview of Changes

Effective beginning with the 2011 crop year, a new Fresh Market Bean program is available in selected counties.

C. Effective Date

See date approved on page 1.

3 CROP INSURANCE HANDBOOK

A. Definitions

Additional fresh market bean information in conjunction with the CIH is described in this section.

Acceptable Supporting Records - Settlement sheets, ledger sheets and assembly sheets must show gross production in thirty pound cartons or in bushels.

Approved Yield - In lieu of the definition contained in the Basic Provisions, the actual production history (APH) yield, used to determine the production guarantee by summing the yearly actual yields and dividing the sum by the number of yields contained in the database. The database must contain at least four actual yields, but may contain up to 10 consecutive crop years of actual or assigned yields.

Direct Marketing - Although any production sold by direct marketing is not insurable, the producer must notify the AIP at least 15 days before any production from any unit will be sold by direct marketing or sold for cash:

- (a) The AIP will conduct an initial inspection and appraisal before harvest of any production to be direct marketed or sold for cash; and
- (b) If damage occurs, the producer must notify the AIP immediately and the following will apply:
 - (i) The AIP will conduct an inspection;
 - (ii) The inspection and acceptable production records provided by the producer will be used to determine the amount of production to count;
 - (iii) The producer must continue to care for the crop and the calculation of the production to count specified in section 13 of the Fresh Market Bean Crop Provisions will be suspended until the producer notifies the AIP of the date that harvest first commences or recommences after the damage; and
 - (iv) 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 production guarantee (per acre) if such failure results in the AIP's inability to accurately determine the amount of production. If the producer fails to give timely notice of a harvest delay, the production to count will not be less than the producer's production guarantee.

Enterprise unit - In lieu of the definition and section 34 of the Basic Provisions, all insurable acreage of fresh market beans in the county in which the insured has a share on the date coverage begins for the planting period.

Insured Crop - Fresh market beans grown by a person who has grown fresh market beans for at least four crop years in the county in which the present crop will be insured.

Marketable Beans - Fresh market beans that are sold or that grade U.S. No. 2 or better in accordance with the requirements of the United States Standard of Grades for Snap Beans and will withstand normal handling and shipping.

Maximum Allowable Acreage - 110 percent of the greatest number of acres of planted fresh market beans in which the producer had a share in any of the previous three crop years. If the producer plants more acres than the maximum allowable acreage, the production guarantee (per acre) will be reduced by the over-planting factor. The over-planting factor is determined by dividing the maximum allowable acreage by the acres planted.

Transitional yield (T-Yield) - In lieu of the definition contained in 7 CFR part 400, Subpart G § 400.52, a yield determined as the simple average of the actual yields the producer certified on the APH production report and used for the purposes of yield substitutions.

Price for unharvested production - In accordance with section 15(d) of the Basic Provisions, the insured's price election will be reduced by the factor contained in the Special Provisions, or any addendum thereto, and the result will be used to compute the amount of any indemnity in the event of a crop loss on unharvested acres.

Production Guarantee (per acre) - In lieu of the definition in the Basic Provisions, the number of cartons determined by multiplying the insured's approved yield per acre by the coverage level percentage the insured elects, by the insured's over-planting factor.

B. General Program Requirements – CIH Section 2

The general rules for crop insurance, as outlined in Section 2 of the CIH, apply.

C. Underwriting and APH Responsibilities (Category B & C APH Crops) – CIH Section 7

The underwriting and APH responsibilities, as outlined in Section 7 of the CIH, apply.

D. Production Reports and APH Databases – CIH Section 13

All provisions of Section 13 apply with the following additional requirement:

Separate databases must be established for each type and practice contained in the actuarial documents.

E. Mediation, Arbitration and Judicial Reviews of AIP Determinations – CIH Section 8

The process for implementation and remediation of adverse decisions, as defined in Section 8 of the CIH, applies.

F. Category B APH Crop Procedures – CIH Section 15

Section 15 of the CIH is amended as follows. All other provisions of Section 15 remain in effect.

K Additional Provisions for Category B Crops

Fresh Market Beans

The Crop Provisions contain an acreage limitation that limits liability if the policyholder plants more than 110 percent of the highest acreage planted in any one of the most recent three crop years.

AIP Agent/Representative Responsibilities: In addition to the responsibilities in Section 5A of the CIH, agents/representatives of AIPs are responsible for:

- A Explaining the acreage limitation contained in the Crop Provisions to the insured. The acreage limitation caps the insurance liability if the insured plants more than 110 percent of the highest acreage planted in any one of the most recent three crop years; and
- B Calculating the over-planting factor and production guarantee according to the Crop Provisions.
- C Notifying the applicant/insured of any reduction in the production guarantee no later than 30 calendar days after the acreage reporting date. The AIP's calculations of the over-planting factor must be in writing and dated. The AIP must place the calculation of the over-planting factor in the insured's official file. The AIP must enter the appropriate over-planting factor on the acreage report in the remarks section (to three decimal places). If the over-planting factor is 1.000 or above, 1.000 will be used in the calculation of the approved production guarantee and will be the over-planting factor reported on the acreage report.

Acceptable supporting records. For production that is sold or delivered at time of harvest, settlement sheets must indicate either the gross weight or net sorted weight or graded weight with weight of each grade explicitly included.

G. Added Land – CIH Section 15

Added land provisions in Section 15 of the CIH do not apply

H. APH Yield Adjustment – CIH Section 17

APH Yield Adjustment provisions, as outlined in Section 17 of the CIH, apply. The applicable T-Yield will be as defined in the Crop Provisions and Section 3A of this handbook.

I. APH Review Requirements – CIH Section 19

The AIP will follow APH review procedures as outlined in Section 19 of the CIH.

4 PREVENTED PLANTING LOSS ADJUSTMENT STANDARDS HANDBOOK

Prevented planting coverage for fresh market beans is not available.

5 LAM

The provisions set forth in the LAM apply to fresh market beans.

6 FRESH MARKET BEAN LASH

The Fresh Market Bean LASH applies.

7 INSURABILITY AND ELIGIBILITY REQUIREMENTS

A. Production Experience

Producers must have grown fresh market beans for at least four crop years in the county in which the present crop will be insured.

B. Insured Crop

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

- (1) In which the producer has a share;
- (2) That are:
 - (a) Planted to be harvested and sold as fresh market beans;
 - (b) Planted within the planting periods specified in the Actuarial Documents;
 - (c) Grown by a person who has grown fresh market beans for at least four crop years in the county in which the present crop will be insured;
 - (d) That are not (unless allowed by the Special Provisions or by written agreement):
 - (i) Interplanted with another crop;
 - (ii) Planted into an established grass or legume; or
 - (iii) That are grown for direct marketing.

C. Insurable Acreage

- (1) The producer must replant any acreage of fresh market beans damaged during the planting period in which initial planting took place whenever less than 50 percent of the plant stand remains; and
 - (a) It is practical to replant; and
 - (b) If, at the time the crop was damaged, the final day of the planting period has not passed. Any acreage of the insured crop damaged before the final planting date, to the extent that most producers in the area would normally not further care for the crop, must be replanted unless the AIP agrees that it is not practical to replant.
- (2) Acreage initially planted in any manner other than in rows far enough apart to permit mechanical cultivation will not be insurable unless otherwise provided by the Special Provisions.
- (3) Insurance will not attach to any acreage that does not meet all applicable rotation requirements contained in the Special Provisions.

D. Acreage Limitation

Producers can insure a maximum of 110% of the greatest number of acres of planted fresh market beans in which the producer had a share in any of the three previous crop years. If the producer plants more acres than the maximum allowable acreage, the production guarantee (per acre) is reduced by the over-planting factor. If the producer does not plant more acres than the maximum allowable acreage the over-planting factor will be 1.000 which will not reduce the production guarantee (per acre).

E. End of Insurance Period

In addition to the provisions of section 11 of the Basic Provisions, coverage ends at the earliest of:

- (1) The date harvest should have started on the unit for any acreage that will not be harvested;
- (2) 65 days after the date of planting (or replanting if applicable), unless otherwise provided in the Special Provisions; or
- (3) The calendar date listed in the Special Provisions.

F Coverage Levels

Producers may select a coverage level from 50 percent (catastrophic [CAT] level of coverage) through 75% of their APH yield.

G Insurable Units

Coverage will only be available for enterprise units, unless otherwise specified in the Special Provisions. The producer will have an enterprise unit for the spring planting period and a separate enterprise unit for the fall planting period, if applicable.

H Late Planting

Prevented planting coverage for fresh market beans is not available. Late planted acreage must be reported as uninsurable.

8 INDEMNITY CALCULATION EXAMPLE

Example:

1	Approved yield		145
2	Coverage level		75%
3	Maximum allowable acres		110
4	Acres planted		125
5	Overplanting factor		0.880
6	Production guarantee (per acre)		95.7
7	Price election		\$10.00
8	Price for unharvested production factor		0.75
9	Price for unharvested production		\$7.50
10	Harvested acres		100
11	Unharvested acres		25
12	Share		1.00
13	Harvested production to count		9,500
14	Unharvested production to count		700

Your indemnity would be calculated as follows:

1	Harvested Acres		Production Guarantee	=	
	100.0	x	95.7		9,570
2	Unharvested Acres		Production Guarantee	=	
	25.0	x	95.7		2,393
3	Result 12(b)(1)		Price Election	=	
	9,570	x	10.00		95,700
4	Result 12(b)(2)		Price for unharvested acres		

	2,393	x	7.50	=	17,948
5	Result 12(b)(3) 95,700	+	Result 12(b)(4) 17,948	=	113,648
6	Production to Count 9,500	x	Price Election 10.00	=	95,000
7	Unharvested Production to Count 700	x	Price for unharvested production 7.50	=	5,250
8	Result 12(b)(6) 95,000	+	Result 12(b)(7) 5,250	=	100,250
9	Result 12(b)(5) 113,648	-	Result 12(b)(8) 100,250	=	13,398
10	Result 12(b)(9) 13,398	x	Share 1.00	=	13,398