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Risk  
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Product  
Administration and  
Standards Division

FCIC 20180U

# POPCORN REVENUE INSURANCE STANDARDS HANDBOOK

## 2012 and Succeeding Crop Years



**UNITED STATES DEPARTMENT OF AGRICULTURE  
WASHINGTON, D.C. 20250**

<b>TITLE: Popcorn Revenue Insurance Standards Handbook</b>	<b>NUMBER: 20180U</b>
<b>SUBJECT:  Popcorn Revenue Underwriting Standards for the 2012 and succeeding crop years</b>	<b>OPI: Product Administration and Standards Division</b>
	<b>APPROVED: 11/2011</b>  <i>/S/</i>  <b>Deputy Administrator, Product Management</b>

**Reason for Issuance**

This handbook provides the official FCIC-approved 2012 and succeeding crop years underwriting and administration standards for the Popcorn Revenue Crop Provisions. All approved insurance providers electing to offer the Popcorn Revenue must utilize these standards.



**POPCORN REVENUE PROGRAM  
INSURANCE STANDARDS HANDBOOK**

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## Part 1 General Information and Responsibilities

### 1 General Information

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#### A. Purpose

The Popcorn Revenue Insurance Standards Handbook provides instructions for establishing coverage in accordance with the Popcorn Revenue Crop Provisions. In general, the FCIC 18010 Crop Insurance Handbook (CIH), FCIC 25010 Loss Adjustment Manual (LAM) Standards Handbook, FCIC 20180L Popcorn Revenue Loss Adjustment Standards Handbook (LASH), and FCIC 25370 Prevented Planting Loss Adjustment Standards Handbook (PP LASH) apply to popcorn revenue. Exceptions, changes, and additions necessary for and unique to popcorn revenue are included in this Insurance Standards Handbook. If there is a conflict between the Insurance Standards Handbook and the CIH, LAM, or the PP LASH; the Insurance Standards Handbook will control.

#### B. Source of Authority

The Popcorn Revenue is a product based on approval by the FCIC Board of Directors of a submitted development to extend and enhance the coverage for producers of popcorn by providing revenue protection (plan code 02) and revenue protection with harvest price exclusion (plan code 03). This handbook provides the FCIC-approved procedures for administering the Popcorn Revenue program.

#### C. Duration

The Popcorn Revenue program will terminate at the end of the 2016 crop year, unless cancelled earlier or extended by FCIC.

#### D. AIP Option to Offer

Because this is a 508(h) submission, AIPs are not required to offer the Popcorn Revenue program to producers. Accordingly, each AIP must determine whether it will offer the Popcorn Revenue program in the approved area. AIPs that elect to offer the Popcorn Revenue program 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 Popcorn Revenue program is available where premium rates and other actuarial materials are included in the actuarial documents for the county.

#### F. Applying for Popcorn Revenue

Use the standard application. The application must indicate the insured has selected the Popcorn Revenue program along with the other required information.

**G. AIPs and Agents**

For the purposes of the Popcorn Revenue program, AIPs may authorize contracted agents to perform all functions and actions authorized by the Crop Insurance Handbook as supplemented by the instructions in this Insurance Standards Handbook.

**2 Responsibilities**

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**A. AIP Responsibilities**

AIPs electing to offer the Popcorn Revenue program must:

- Offer it to all eligible producers in the approved area.
- Provide each insured a copy of the insurance documents

**B. Insured's Responsibilities**

To be eligible for the Popcorn Revenue program, insureds must:

- Elect the Crop Provisions on an application.
- Comply with all terms and conditions of the Crop Provisions.
- Submit a copy of the processor contract containing signatures of both parties on or before the acreage reporting date.

**3-20 (Reserved)**

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## Part 2 Eligibility

### 21 Popcorn Revenue

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#### A. Applicability

All acreage that meets the requirements for insurability under the Crop Provisions is eligible for Popcorn Revenue coverage. The acreage of popcorn must be included under a processor contract and meet other requirements (see 21B).

#### B. Eligibility Requirements

To be eligible for the Popcorn Revenue program, the insured must comply with all terms and conditions of the Crop Provisions.

1. Acreage is not eligible for insurance if the insured chooses the catastrophic level of coverage.
2. The insured must execute a processor contract for the sale of the popcorn on or before the acreage reporting date.
3. The processor contract, signed by both parties, must be submitted to the AIP on or before the acreage reporting date.

#### C. Insurable Types

Insurable types are specified on the actuarial documents.

#### D. Insurable Practices

Insurable practices are specified on the actuarial documents.

#### E. Units

See the unit division section of the Crop Provisions for complete rules for basic and optional units. Whole farm and enterprise units are not allowed.

#### F. Coverage Levels

Coverage will be available in 5 percent (5%) increments from 50 percent (50%) to 85 percent (85%). Catastrophic (CAT) level of coverage is not offered.

#### G. Insurance Dates

The Popcorn Revenue program must be selected by the insured on or before the sales closing date for the first year it is to be effective. Thereafter, it renews



automatically unless the selection is cancelled by the insured or by the AIP or the policy terminates. All dates applicable to popcorn are specified on the actuarial documents.

#### **H. Insurable and Uninsurable Causes of Loss**

- (a) In accordance with section 12 of the Basic Provisions, insurance is provided only against the following causes of loss that occur during the insurance period:
  - (1) Adverse weather conditions;
  - (2) Fire;
  - (3) Insects, but not damage due to insufficient or improper application of pest control measures;
  - (4) Plant disease, but not damage due to insufficient or improper application of disease control measures;
  - (5) Wildlife;
  - (6) Earthquake;
  - (7) Volcanic eruption;
  - (8) Failure of the irrigation water supply, if caused by a cause of loss specified in items (1) through (7) that occurs during the insurance period; or
  - (9) A change in the harvest price from the projected price, unless FCIC can prove the price change was the direct result of an uninsured cause of loss specified in section 12(a) of the Basic Provisions.
- (b) In addition to the causes of loss excluded by section 12 of the Basic Provisions, we do not insure against any loss of production due to:
  - (1) Damage resulting from frost or freeze after a date designated in the actuarial documents; or
  - (2) Failure to follow the requirements contained in the processor contract.

#### **I. Premium Rates**

Premium rates are established in the actuarial documents.

#### **J. T-yields**

T-yields are provided in the actuarial documents.

#### **K. Quality Adjustment**

Quality adjustment is allowed if damage due to insurable causes results in popcorn that is not merchantable and it is rejected by the processor.

The quantity of production is reduced by 0.12 percent per 0.10 percentage point the moisture content exceeds 15.0 percent. See the Crop Provisions and the Popcorn Revenue LASH for more information.

No additional quality adjustment is authorized.

**L. Projected Price and Harvest Price**

The projected price for a producer who chooses revenue protection or revenue protection with the harvest price exclusion equals the projected price for corn determined in accordance with the Commodity Exchange Price Provisions multiplied by a factor contained in the actuarial documents.

The harvest price for a producer who chooses revenue protection will be the harvest price for corn determined in accordance with the Commodity Exchange Price Provisions multiplied by the same factor that was used to establish the projected price.

**22 – 30 (Reserved)**

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## **Part 3 Applicability of Handbooks**

**Part 3 of this Insurance Standards Handbook identifies information specific to the applicability of the CIH, PP LASH, LAM Standards Handbook, and Popcorn Revenue LASH, and any other issuance that may require supplemental information with regard to Popcorn Revenue. Unless specifically amended or supplemented by information in this Insurance Standards Handbook, all policy and procedure issuances apply.**

### **Section 1 CIH**

#### **31 Specific Information Regarding the CIH**

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All references to written agreements do not apply to the Popcorn Revenue program. All other instructions in the CIH that apply to popcorn apply to the Popcorn Revenue program without change.

#### **32-35 (Reserved)**

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### **Section 2 PP LASH**

#### **36 Specific Information Regarding the PP LASH**

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There are no additions or modifications to this Handbook. All instructions in the PP LASH that apply to popcorn apply to the Popcorn Revenue program without change.

### **Section 3 LAM Standards Handbook**

#### **37 Specific Information Regarding the LAM Standards Handbook**

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There are no additions or modifications to this Handbook. All instructions in the LAM Standards Handbook that apply to popcorn apply to the Popcorn Revenue program without change.

### **Section 4 Popcorn Revenue LASH**

#### **38 Specific Information Regarding the Popcorn Revenue LASH**

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The Popcorn Revenue LASH applies.

#### **39-99 (Reserved)**

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