



Federal Crop
Insurance
Corporation



Risk Management
Agency



Product
Administration
and Standards
Division

FCIC-20070

PILOT BIOTECH YIELD ENDORSEMENT

INSURANCE STANDARDS HANDBOOK

2008 and Succeeding Crop Years

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

FEDERAL CROP INSURANCE HANDBOOK		NUMBER: 20070 (01-2008)
SUBJECT: PILOT BIOTECH YIELD ENDORSEMENT INSURANCE STANDARDS HANDBOOK 2008 AND SUCCEEDING CROP YEARS	OPI: Product Administration and Standards Division	
	APPROVED: /s/ Tim B. Witt Deputy Administrator, Product Management	

THIS HANDBOOK CONTAINS THE OFFICIAL FCIC-APPROVED UNDERWRITING, ADMINISTRATION, AND SPOT-CHECK/REVIEW STANDARDS FOR THE PILOT BIOTECH YIELD ENDORSEMENT FOR THE 2008 AND SUCCEEDING CROP YEARS. ALL APPROVED INSURANCE PROVIDERS (AIPs) CHOOSING TO OFFER THE PILOT BIOTECH YIELD ENDORSEMENT PREMIUM RATE REDUCTION MUST UTILIZE THESE STANDARDS.

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**PILOT BIOTECH YIELD ENDORSEMENT
INSURANCE STANDARDS HANDBOOK**

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Part 1 General Information and Responsibilities

1 General Information

A. Purpose

This handbook provides procedure for administering the Pilot BYE. The Pilot BYE provides insureds that meet all eligibility requirements a premium rate reduction on eligible corn acreage at the unit level.

B. Source of Authority

The Pilot BYE is a privately developed product that was approved by the FCIC Board of Directors on September 12, 2007 under Section 523(d) of the Federal Crop Insurance Act. This handbook provides the FCIC-approved procedures for administering the Pilot BYE.

C. Duration

The Pilot BYE is available beginning with the 2008 crop year and will terminate at the end of the 2011 crop year, unless cancelled or extended by FCIC.

D. AIP Option to Offer

Because it is a pilot, AIPs are not required to offer the Pilot BYE to insureds. Accordingly, each AIP must determine whether or not they will offer the Pilot BYE in the pilot area. If an AIP elects to offer the Pilot BYE, it must offer it to all eligible insureds in the pilot area, and must administer the program according to the procedures in this handbook.

E. Pilot Area

The Pilot BYE is available in all counties in Illinois, Indiana, Iowa, and Minnesota in which an eligible policy and plan of insurance is offered.

See Exhibit 2 for a definition of pilot area and eligible policy and plan of insurance.

F. Applying for Pilot BYE

There is no application for the Pilot BYE. Insureds do not have to submit an application or a contract change form to qualify for the Pilot BYE premium rate reduction.

An insured will automatically qualify for and receive the Pilot BYE premium rate reduction if they meet all the eligibility criteria.

A. AIP Responsibilities

AIPs electing to offer the Pilot BYE must:

- offer the Pilot BYE to all insureds with an eligible policy and plan of insurance in the pilot area
- provide each insured wishing to receive the Pilot BYE premium rate reduction a copy of the Pilot BYE

Important: The Pilot BYE is available at www.rma.usda.gov.

- at the time the insured files their acreage report:
 - verify the seed hybrid listed for the insured on the BYE Seed Dealer Certification Statement is a qualifying hybrid according to paragraph 21
 - verify the insured obtained a sufficient quantity of qualifying hybrids to meet the planting requirements for the applicable unit according to paragraph 21
 - ensure acreage that meets the Pilot BYE eligibility requirements is accurately coded on the acreage report according to paragraph 22
- identify yield/production data from acreage that meets the Pilot BYE eligibility requirements in the applicable APH database according to paragraph 23
- conduct spot-checks according to Part 3.

B. Insured's Responsibilities

To be eligible for the Pilot BYE premium rate reduction, insureds must:

- meet all the eligibility requirements according to Part 2
- comply with all terms and conditions of the Pilot BYE and the underlying policy
- identify the acreage/unit(s) that qualifies for the Pilot BYE according to paragraphs 22 and 23
- when requested, identify the physical location of the non-irrigated corn for grain acreage planted to a qualifying hybrid and the physical location of any other corn planted within the unit.

3-10 (Reserved)

Part 2 Eligibility

11 Pilot BYE Premium Rate Reduction

A. Applicability

The Pilot BYE premium rate reduction is applied at the unit (basic, optional, enterprise or whole farm, as applicable) level.

For enterprise units, the Pilot BYE premium rate reduction is applied at the enterprise unit level, not the underlying basic or optional units that comprise the enterprise unit.

For whole farm units, the Pilot BYE premium rate reduction is applied only to the insured corn acreage planted within the whole farm unit, not the other crops within the whole farm unit or the underlying basic or optional units that comprise the whole farm unit.

For eligible policies and plans of insurance that provide revenue protection based on prices or yields, or a combination of both, the Pilot BYE premium rate reduction is determined and applied to the yield risk component only.

B. Eligibility Requirements

To be eligible for the Pilot BYE premium rate reduction, all of the following requirements must be met.

1. Pilot Area. The insured unit must be physically located within the pilot area. See Exhibit 2 for a definition of pilot area.
2. Eligible Policy and Plan of Insurance. The person must be insured under an eligible policy and plan of insurance. See Exhibit 2 for a definition of eligible policy and plan of insurance.
3. Unit Eligibility. Only units for which no written agreements are attached are eligible for the Pilot BYE premium rate reduction, with the following exception.

Exception: A unit with either or both of the following types of written agreements may be eligible for the Pilot BYE premium rate reduction:

- Written unit agreements (type UA)
- High-risk or rate areas (type HR).

Example 1: Scenario: An insured has a unit under a written unit agreement (type UA). On the same unit, the insured has a written agreement to change the transitional yield for a high-risk area (type HR). There are no other written agreements attached to the unit.

B. Eligibility Requirements (continued)

Result: The unit may be eligible for the Pilot BYE premium rate reduction, provided all other requirements are met.

Example 2: Scenario: An insured has a unit that has an unrated practice, type, or variety written agreement (type TP) attached.

Result: The unit is **NOT** eligible for the Pilot BYE premium rate reduction.

4. Planting Requirements. The following provides the planting requirements that must be met to be eligible for the Pilot BYE premium rate reduction.
 - a. Basic and optional units. For basic and optional units, at least 75 percent of the total insured corn acreage planted, including any replanted acreage, in the unit must be non-irrigated corn for grain planted to a qualifying hybrid. See subparagraph D for examples. See Exhibit 2 for a definition of qualifying hybrid.
 - b. Enterprise units. For enterprise units, at least 75 percent of the total insured corn acreage planted, including any replanted acreage, in the enterprise unit (not the underlying basic or optional units) must be non-irrigated corn for grain planted to a qualifying hybrid. See subparagraph D for examples. See Exhibit 2 for a definition of qualifying hybrid.
 - c. Whole farm units. For whole farm units, at least 75 percent of the total insured corn acreage planted, including any replanted acreage, in the whole farm unit (not the underlying basic or optional units) must be non-irrigated corn for grain planted to a qualifying hybrid. See subparagraph D for examples. See Exhibit 2 for a definition of qualifying hybrid.
5. Certification Statements. On or before the acreage reporting date, the insured must submit all of the following:
 - completed, signed and dated BYE Insured's Certification Statement
 - completed, signed and dated BYE Seed Dealer Certification Statement from each seed dealer from which the insured obtained qualifying hybrid seed
 - copies of purchase and return seed invoices that correspond to the BYE Seed Dealer Certification Statement(s) submitted. Copies of the invoices must be attached to the corresponding BYE Seed Dealer Certification Statement.

See paragraph 12 for the required elements of the BYE Insured's Certification Statement and the BYE Seed Dealer Certification Statement.

B. Eligibility Requirements (continued)

6. Acreage report. In addition to the information required according to the Policy Provisions, the insured must identify the corn acreage and unit(s) that qualify for the Pilot BYE.

See paragraphs 22 and 23 for reporting acreage and identifying applicable units.

C. Prevented Planting Acreage

The Pilot BYE premium rate reduction applies only to planted acreage. Prevented planting acreage is **not** eligible for the Pilot BYE premium rate reduction.

Prevented planting acreage is not included when determining the planting requirements in subparagraph B.

Example: Scenario: A basic unit is comprised of 300 acres. The insured plants 210 acres to non-irrigated corn for grain planted to a qualifying hybrid, 70 acres to non-irrigated corn for grain planted to a non-qualifying hybrid, and is prevented from planting 20 acres.

Result: The 20 prevented planting acres are **not** eligible for the Pilot BYE premium rate reduction, and are not used when determining whether the planting requirements are met. The insured planted a total of 280 acres of insured corn in the unit. At least 75 percent of the total insured corn acreage **planted** in the unit ($280 \times .75 = 210$) was planted to a qualifying hybrid. Therefore, the planting requirements are met in this example.

D. Planting Requirement Examples

The following are examples of the Pilot BYE planting requirements.

1. Scenario 1: Insured A has two basic units (unit 00100 and unit 00200), each comprised of 400 acres. Insured A plants all 400 acres of unit 00100 to soybeans. On unit 00200, Insured A plants 320 acres of non-irrigated corn for grain planted to a qualifying hybrid, and 80 acres of non-irrigated corn for grain planted to a non-qualifying hybrid.

Result: At least 75 percent of the total insured corn acreage planted in unit 00200 is non-irrigated corn for grain planted to a qualifying hybrid ($400 \times .75 = 300$). Accordingly, the planting requirements are met for unit 00200, and Insured A is eligible for the Pilot BYE premium rate reduction on unit 00200, provided all other eligibility requirements are met. None of the acreage in unit 00100 is planted to corn. Accordingly, Insured A is not eligible for the Pilot BYE premium rate reduction on unit 00100.

D. Planting Requirement Examples (continued)

2. Scenario 2: Insured B has three optional units (unit 00101, unit 00102, and unit 00103), each comprised of 200 acres. Insured B plants all 200 acres of units 00101 and 00102 to non-irrigated corn for grain planted to a qualifying hybrid. On unit 00103, Insured B plants 50 acres to non-irrigated corn for grain planted to a qualifying hybrid, and 150 acres to non-irrigated corn for grain planted to a non-qualifying hybrid.

Result: At least 75 percent of the total insured corn acreage planted in unit 00101 and 00102 is non-irrigated corn for grain planted to a qualifying hybrid. Accordingly, the planting requirements are met for unit 00101 and 00102, and Insured B is eligible for the Pilot BYE premium rate reduction on each of those units, provided all other eligibility requirements are met. Only 25 percent of the total corn acreage planted in unit 00103 is non-irrigated corn for grain planted to a qualifying hybrid. Accordingly, Insured B is not eligible for the Pilot BYE premium rate reduction on unit 00103.

3. Scenario 3: Insured C has one basic unit (unit 00100) comprised of 350 acres. Insured C plants 270 acres of unit 00100 to non-irrigated corn for grain planted to a qualifying hybrid, and plants the remaining 80 acres in the unit to non-irrigated corn for silage planted to a non-qualifying hybrid. Both corn for grain and corn for silage are insurable in the county.

Result: At least 75 percent of the total insured corn acreage planted in unit 00100 is non-irrigated corn for grain planted to a qualifying hybrid ($350 \times .75 = 262.5$). Accordingly, the planting requirements are met for unit 00100, and Insured C is eligible for the Pilot BYE premium rate reduction on that unit, provided all other eligibility requirements are met.

4. Scenario 4: Insured D has two basic units (unit 00100 and 00200), each comprised of 640 acres. Insured D plants 475 acres of unit 00100 to non-irrigated corn for grain planted to a qualifying hybrid, and plants the remaining 165 acres in the unit to irrigated corn for grain planted to a qualifying hybrid. On unit 00200, Insured D plants 384 acres to irrigated corn for grain planted to a qualifying hybrid, and plants the remaining 256 acres to irrigated corn for grain planted to a non-qualifying hybrid.

Result: The planting requirements are not met on either of Insured D's units. All acres in unit 00100 are planted to a qualifying hybrid; however, less than 75 percent of the total insured corn acres in unit 00100 are planted to non-irrigated corn for grain. All acres of unit 00200 are planted to irrigated corn. Accordingly, the planting requirements are not met on either unit, and Insured D is not eligible for the Pilot BYE premium rate reduction on either unit.

D. Planting Requirement Examples (continued)

5. Scenario 5: Insured E has two optional units (unit 00101 and unit 00102), each comprised of 250 acres. Insured E plants 160 acres in unit 00101 to non-irrigated corn for silage, and the remaining 90 acres to non-irrigated corn for grain planted to a qualifying hybrid. On unit 00102, Insured E plants 50 acres to non-irrigated corn for silage, 150 acres to non-irrigated corn for grain planted to a qualifying hybrid, and is prevented from planting 50 acres. Both corn for grain and corn for silage are insurable in the county.

Result: Less than 75 percent of the total insured corn acreage planted in unit 00101 is corn for grain planted to a qualifying hybrid. Accordingly, the planting requirements are not met for unit 00101, and Insured E is not eligible for the Pilot BYE premium rate reduction on unit 00101. At least 75 percent of the total insured corn acreage planted in unit 00102 is non-irrigated corn for grain planted to a qualifying hybrid ($200 \times .75 = 150$). The 50 prevented planting acres are not included when determining whether the planting requirements are met, and are not eligible for the Pilot BYE premium rate reduction. Accordingly, Insured E is eligible for the Pilot BYE premium rate reduction on unit 00102, provided all other eligibility requirements are met.

6. Scenario 6: Insured F has an enterprise unit (unit 00100EU) comprised of 700 acres. Both corn for grain and corn for silage are insurable in the county. Insured F plants the following on unit 00100EU:
- 530 acres of non-irrigated corn for grain planted to a qualifying hybrid
 - 100 acres of irrigated corn for grain planted to a non-qualifying hybrid
 - 70 acres of non-irrigated corn for silage planted to a non-qualifying hybrid.

Result: At least 75 percent of the total insured corn acreage planted in enterprise unit 00100EU is non-irrigated corn for grain planted to a qualifying hybrid ($700 \times .75 = 525$). Accordingly, the planting requirements are met for enterprise unit 00100EU, and Insured F is eligible for the Pilot BYE premium rate reduction on enterprise unit 00100EU, provided all other eligibility requirements are met.

The determination of whether the planting requirements are met is made at the enterprise unit level, not the underlying basic or optional units that comprise the enterprise unit. Accordingly, neither of the following affects the determination of whether the planting requirements are met on enterprise unit 00100EU:

- the number or type of underlying units (basic or optional) that comprise the enterprise unit
- the number of acres within the underlying units (basic or optional) planted to non-irrigated corn for grain planted to a qualifying hybrid.

11 Pilot BYE Premium Rate Reduction (continued)

D. Planting Requirement Examples (continued)

7. Scenario 7: Insured G has a whole farm unit (unit 00100WU) comprised of 1,000 acres. Both corn for grain and corn for silage are insurable in the county. Insured G plants the following on unit 00100WU:

- 450 acres of non-irrigated corn for grain planted to a qualifying hybrid
- 150 acres of non-irrigated corn for silage planted to a non-qualifying hybrid
- 300 acres of soybeans
- 100 acres of wheat.

Result: At least 75 percent of the total insured corn acreage planted in whole farm unit 00100WU is non-irrigated corn for grain planted to a qualifying hybrid (600 x .75 = 450). Accordingly, the planting requirements are met for whole farm unit 00100WU, and Insured G is eligible for the Pilot BYE premium rate reduction on the insured corn acreage (600 acres) within the whole farm unit 00100WU, provided all other eligibility requirements are met.

The determination of whether the planting requirements are met is made at the whole farm unit level, not the underlying basic or optional units that comprise the whole farm unit. Accordingly, neither of the following affects the determination of whether the planting requirements are met on enterprise unit 00100WU:

- the number or type of underlying units (basic or optional) that comprise the enterprise unit
- the number of acres within the underlying units (basic or optional) planted to non-irrigated corn for grain planted to a qualifying hybrid.

12 Certification Statements

To be eligible for the Pilot BYE premium rate reduction, the insured must submit all of the following on or before the acreage reporting date:

- completed, signed and dated BYE Insured's Certification Statement
- completed, signed and dated BYE Seed Dealer Certification Statement from each seed dealer from which the insured obtained qualifying hybrid seed
- copies of purchase and return seed invoices that correspond to the BYE Seed Dealer Certification Statement(s) submitted. Copies of the invoices must be attached to the corresponding BYE Seed Dealer Certification Statement.

A. BYE Insured's Certification Statement

To be eligible for the Pilot BYE premium rate reduction, a completed BYE Insured's Certification Statement must be:

- signed and dated by the insured
- submitted to the AIP on or before the acreage reporting date.

The BYE Insured's Certification Statement must contain ALL of the following elements:

- "Insured's Name (Print)"
- "Insured's Policy Number"
- "State"
- "County"
- "Crop Year"
- "Insured's Signature and Date"
- the following certification language:

"By signing below, I certify to all of the following:

1. I have received a copy of the Pilot Biotech Yield Endorsement (BYE), and I am in compliance with all of its terms and conditions, including but not limited to, that at least 75 percent of the total insured corn acreage planted, including any replanted acreage, in the unit(s) (basic, optional, enterprise or whole farm, as applicable) I identified on my acreage report as eligible for the Pilot BYE is non-irrigated corn for grain planted to a qualifying hybrid.
2. I have reviewed the accompanying BYE Seed Dealer Certification Statement(s) and the copies of the seed invoices attached thereto and believe they are true and correct. Additionally, I authorize the seed dealer listed on those documents to disclose all purchase and return invoices for all corn seed that was purchased or returned by me or someone else on my behalf.
3. I understand that failure to comply with all terms and conditions of the Pilot BYE on ANY unit I reported as eligible for the Pilot BYE premium rate reduction, or any false or fraudulent certifications under the Pilot BYE made by me or someone else on my behalf, shall result in my policy being voided. I also understand that even though my policy is voided I may still be required to pay 20 percent of the premium due under the policy, and I may be subject to administrative, civil or criminal sanctions (18 U.S.C. §1006 and §1014; 7 U.S.C. §1506; 31 U.S.C. §3729, §3730 and any other applicable federal statutes).

A. BYE Insured's Certification Statement (continued)

4. I am aware of the U.S. Environmental Protection Agency refuge requirements and I understand the Pilot BYE in no way modifies my responsibility to abide by those requirements.”

In addition, the BYE Insured's Certification Statement must include both the following statements provided in the FCIC-24040 DSSH:

- Collection of Information and Data (Privacy Act) Statement (DSSH Exhibit 3)
- Nondiscrimination Statement (DSSH Exhibit 4).

See Exhibit 4 for an example of a BYE Insured's Certification Statement and a description of each of the required elements.

B. BYE Seed Dealer Certification Statement

To be eligible for the Pilot BYE premium rate reduction, an insured must provide a completed BYE Seed Dealer Certification Statement from each seed dealer where the insured obtained qualifying hybrid seed. The BYE Seed Dealer Certification Statement(s) must:

- be signed and dated by an owner/employee of the seed dealer from which the qualifying hybrid(s) were obtained
- be submitted to the AIP on or before the acreage reporting date.

Only purchases of qualifying hybrid corn seed shall be recorded on the BYE Seed Dealer Certification Statement. Purchases of any other corn seed shall not be included on the statement. See Exhibit 2 for definition of qualifying hybrid.

All producers that will share in the crop planted with the qualifying hybrids purchased must be listed on the BYE Seed Dealer Certification Statement item 5A, regardless of whether those producers are insured. See Exhibit 5 for an example of a BYE Seed Dealer Certification Statement.

Example: Individual A purchases qualifying hybrids that will be planted on acreage he rents from two different landlords. One of the landlords will insure his share of the crop; however, the other landlord does not insure his crops. Individual A must be listed on the Seed Dealer Certification Statement as the seed purchaser in item 2A and also be listed in item 5A. Both of the landlord's names must be entered in item 5A. See paragraph 13 for examples.

B. BYE Seed Dealer Certification Statement (continued)

If more than one person will share in the same qualifying hybrid seed, such as a landlord and tenant that both share in the crop, all the following must be provided on the BYE Seed Dealer Certification Statement:

- each person's name in item 5A
- the share relationship between the persons in item 5A, such as landlord and tenant
- each person's share of the total number of qualifying hybrids obtained in item 5G.

See paragraph 13 for examples of completing a BYE Seed Dealer Certification Statement when more than one person will share in the same unit(s) of qualifying hybrid seed.

The BYE Seed Dealer Certification Statement must contain ALL of the following elements:

- "1A. Seed Dealer's Name:"
- "1B. Address:"
- "1C. Phone:"
- "2A. Seed Purchaser's Name:"
- "2B. Seed Purchaser's Phone:"
- "3. Crop Year"
- "4. Total (net) Number of Units of Qualifying Hybrid** Corn Seed Purchased:"
- "5A. Insured/Producer Name"
- "5B. Insured's Policy Number"
- "5C. Monsanto Technology Stewardship Agreement Number"
- "5D. State/County of Crop"
- "5E. Seed Company"
- "5F. Seed Hybrid"
- "5G. Number of Units of Seed*"
- the following informational language:

***A unit of seed equals 80,000 kernels. Most qualifying hybrid seed is sold in a bag that contains 80,000 kernels (1 unit). However, qualifying hybrid seed may also be sold in a mini bulk unit that normally contains 4 million kernels (50 units). In rare situations, a bag of qualifying hybrid seed may contain only 40,000 kernels (0.5 units).

B. BYE Seed Dealer Certification Statement (continued)

**Qualifying hybrid means a corn hybrid that contains the following three proprietary biotech traits developed and licensed by the Monsanto Company: YieldGard[®] Corn Borer, YieldGard[®] Rootworm, and Roundup Ready[®] Corn 2. A list of qualifying hybrid corn seed may be obtained at www.biotechyieldendorsement.com.

Each insured listed above is responsible for providing their Approved Insurance Provider(s) a copy of (1) this BYE Seed Dealer Certification Statement; and (2) purchase and return seed invoices that substantiate the information provided above. This information may be used as part of a spot-check or review to verify compliance with the Pilot BYE terms and conditions.”

- the following certification language:

“6. By signing below, I certify to all of the following:

A. I am an employee/owner of the seed dealer named in Item 1A.

B. The total number of units of qualifying hybrid corn seed in Item 4 was provided to the purchaser in Item 2A for the crop year in Item 3, and is the total net (amount purchased minus amount returned) provided to the purchaser for the crop year.

C. All of the units in Item 4 are corn hybrids which contain a combination of ALL three of the following proprietary biotech traits developed and licensed by the Monsanto Company: YieldGard[®] Corn Borer, YieldGard[®] Rootworm, and Roundup Ready[®] Corn 2.”

- “SEED DEALER EMPLOYEE/OWNER NAME (PRINT)”
- “SEED DEALER EMPLOYEE/OWNER SIGNATURE”
- “DATE”.

In addition, the BYE Seed Dealer Certification Statement must include both the following statements provided in the FCIC-24040 DSSH:

- Collection of Information and Data (Privacy Act) Statement (DSSH Exhibit 3)
- Nondiscrimination Statement (DSSH Exhibit 4).

See Exhibit 5 for an example of a BYE Seed Dealer Certification Statement and a description of each of the required elements.

13 BYE Seed Dealer Certification Statement Examples

The following are examples of how to complete certain items of the BYE Seed Dealer Certification Statement when multiple persons share in the same unit(s) of qualifying hybrid seed.

1. **Scenario 1:** Tenant A rents acreage from Landlord B for a share of the crop planted on the acreage. Tenant A receives two-thirds of the crop, and Landlord B receives one-third of the crop. Tenant A purchases 300 units of qualifying hybrid seed to be planted on the acreage rented from Landlord B. Both Tenant A and Landlord B insure their share of the crop. Tenant A's Monsanto Technology Stewardship Agreement Number is XXXXXXXX. Landlord B does not have a Monsanto Technology Stewardship Agreement Number.

Result: "Tenant A" is entered as the seed purchaser in item 2A, and "300" is entered as the total (net) number of units of qualifying hybrid corn seed purchased in item 4. The following provides the entries for items 5A, 5C, and 5G.

5A. Insured/Producer Name	5C. Monsanto Technology Stewardship Agreement Number	5G. Number of Units of Seed
Tenant A (tenant of landlord B)	XXXXXXXX	200
Landlord B (landlord of tenant A)	XXXXXXXX	100

Because Tenant A purchased all of the qualifying hybrid seed used to qualify for the Pilot BYE, Tenant A's Monsanto Technology Stewardship Agreement Number must be listed for both Tenant A and Landlord B.

Each insured's name and their share relationship (landlord/tenant) must be entered in item 5A. Each person's share of the total (net) number of units of qualifying hybrid corn seed purchased for the acreage in which they have a share of the crop must be entered in item 5G. The share division of the applicable units of qualifying hybrid seed must be the same as the share division of the crop, as provided on the acreage report (one-third landlord and two-thirds tenant in this example).

To be eligible for the Pilot BYE, Tenant A must submit a copy of the BYE Seed Dealer Certification Statement and the associated purchase and return invoices to his AIP on or before the acreage reporting date. The AIP will use the BYE Seed Dealer Certification Statement to determine the number of units of qualifying hybrid seed for Tenant A. Using the information in item 5A and 5G, the AIP determines that Tenant A has an interest in 300 units of qualifying hybrid seed. Because Tenant A and Landlord B are the only two persons listed in item 5A and they have a share relationship (landlord/tenant), Tenant A has an interest in all the units of seed listed ($200 + 100 = 300$).

To be eligible for the Pilot BYE, Landlord B must submit a copy of the BYE Seed Dealer Certification Statement and the associated purchase and return invoices to his AIP on or before the acreage reporting date (a copy of the same BYE Seed Dealer Certification Statement and invoices as submitted by Tenant A). The AIP will use the

13 BYE Seed Dealer Certification Statement Examples (continued)

BYE Seed Dealer Certification Statement to determine the number of units of qualifying hybrid seed for Landlord B. Using the information in item 5A and 5G, the AIP determines that Landlord B has an interest in 300 units of qualifying hybrid seed. Because Tenant A and Landlord B are the only two persons listed in item 5A and they have a share relationship (landlord/tenant), Landlord B has an interest in all the units of seed listed ($200 + 100 = 300$).

2. Scenario 2: Tenant C rents acreage from Landlord D and other acreage from Landlord E. All of the acreage is rented for a share of the crop planted on the acreage. Tenant C and Landlord D receive two-thirds/one-third, respectively, of the crop from the acreage rented from Landlord D. Tenant C and Landlord E each receive 50 percent of the crop from the acreage rented from Landlord E. Tenant C purchases 300 units of qualifying hybrid seed to be planted on the acreage rented from Landlord D, and 200 units of qualifying hybrid seed to be planted on the acreage rented from Landlord E. Tenant C, Landlord D and Landlord E each insure their share of the crop. Tenant C's Monsanto Technology Stewardship Agreement Number is YYYYYYYY. Landlord D's Monsanto Technology Stewardship Agreement Number is AAAAAAAA. Landlord E does not have a Monsanto Technology Stewardship Agreement Number.

Result: "Tenant C" is entered as the seed purchaser in item 2A, and "500" is entered as the total (net) number of units of qualifying hybrid corn seed purchased in item 4. The following provides the entries for items 5A, 5C, and 5G.

5A. Insured/Producer Name	5C. Monsanto Technology Stewardship Agreement Number	5G. Number of Units of Seed
Tenant C (tenant of landlord D and E)	YYYYYYYY	300
Landlord D (landlord of tenant C)	YYYYYYYY	100
Landlord E (landlord of tenant C)	YYYYYYYY	100

Because Tenant C purchased all the qualifying hybrid seed used to qualify for the Pilot BYE, Tenant C's Monsanto Technology Stewardship Agreement Number must be listed for Tenant C, Landlord D, and Landlord E.

Each insured's name and their share relationship (landlord/tenant) must be entered in item 5A. Each person's share of the total (net) number of units of qualifying hybrid corn seed purchased for the acreage in which they have a share of the crop must be entered in item 5G. The share division of the applicable units of qualifying hybrid seed must be the same as the share division of the crop, as provided on the acreage report.

The share division of the units of seed in this example are: Landlord D has a one-third interest in 300 units of seed ($300 \times .3333 = 100$); Landlord E has 50 percent interest in 200 units of seed ($200 \times .5000 = 100$); and Tenant C has a two-thirds interest in 300 units of qualifying hybrid seed and 50 percent interest in 200 units of qualifying hybrid seed ($(300 \times .6667 = 200) + (200 \times .5000 = 100) = 300$).

13 BYE Seed Dealer Certification Statement Examples (continued)

To be eligible for the Pilot BYE, Tenant C must submit a copy of the BYE Seed Dealer Certification Statement and the associated purchase and return invoices to his AIP on or before the acreage reporting date. The AIP will use the BYE Seed Dealer Certification Statement to determine the number of units of qualifying hybrid seed for Tenant C. Using the information in item 5A and 5G, the AIP determines that Tenant C has an interest in 500 units of qualifying hybrid seed. Because Tenant C has a share relationship (landlord/tenant) with all other persons listed in item 5A, Tenant C has an interest in all the units of seed listed ($300 + 100 + 100 = 500$).

To be eligible for the Pilot BYE, Landlord D must submit a copy of the BYE Seed Dealer Certification Statement and the associated purchase and return invoices to his AIP on or before the acreage reporting date (a copy of the same BYE Seed Dealer Certification Statement and invoices as submitted by Tenant C). The AIP will use the BYE Seed Dealer Certification Statement to determine the number of units of qualifying hybrid seed for Landlord D.

Because Landlord D does **not** have a share relationship with all the persons listed in item 5A, Landlord D cannot have an interest in all of the units of seed listed. However, Landlord D does have a share relationship (landlord/tenant) with Tenant C. Therefore, Landlord D does have an interest in some of the units of seed listed for Tenant C.

Using Landlord D's share division of the crop, as provided on the acreage report, and the information in item 5A and 5G, the AIP determines that Landlord D has an interest in a total of 300 units of qualifying hybrid seed. Landlord D and Tenant C have a one-third/two-thirds, respectively, share division of the crop according to the acreage report. Landlord D has an interest in 100 units of seed according to the BYE Seed Dealer Certification Statement item 5G. Therefore, the 100 units of seed listed for Landlord D represent one-third of the total units of seed in which Landlord D has an interest. Accordingly, Landlord D has an interest in 200 of the units of seed listed for Tenant C, resulting in a total of 300 units of seed ($100 \text{ units of seed listed for Landlord D} + 200 \text{ of the units of seed listed for Tenant C} = 300$).

To be eligible for the Pilot BYE, Landlord E must submit a copy of the BYE Seed Dealer Certification Statement and the associated purchase and return invoices to his AIP on or before the acreage reporting date (a copy of the same BYE Seed Dealer Certification Statement and invoices as submitted by Tenant C and Landlord D). The AIP will use the BYE Seed Dealer Certification Statement to determine the number of units of qualifying hybrid seed for Landlord E.

Because Landlord E does **not** have a share relationship with all the persons listed in item 5A, Landlord E cannot have an interest in all of the units of seed listed. However, Landlord E does have a share relationship (landlord/tenant) with Tenant C. Therefore, Landlord E does have an interest in some of the units of seed listed for Tenant C.

13 **BYE Seed Dealer Certification Statement Examples (continued)**

Using Landlord E’s share division of the crop, as provided on the acreage report, and the information in item 5A and 5G, the AIP determines that Landlord E has an interest in a total of 200 units of qualifying hybrid seed. Landlord E and Tenant C each have a 50 percent share of the crop according to the acreage report. Landlord E has an interest in 100 units of seed according to the BYE Seed Dealer Certification Statement item 5G. Therefore, the 100 units of seed listed for Landlord E represent 50 percent of the total units of seed in which Landlord E has an interest. Accordingly, Landlord E has an interest in 100 of the units of seed listed for Tenant C, resulting in a total of 200 units of seed (100 units of seed listed for Landlord E + 100 of the units of seed listed for Tenant C = 200).

3. Scenario 3: Tenant J rents acreage from Landlord K and other acreage from Landlord L. All of the acreage is rented for a share of the crop planted on the acreage. Tenant J receives 50 percent of the crop from the acreage rented from Landlord K and 60 percent of the crop from the acreage rented from Landlord L.

Tenant J and Landlord K each purchase 150 units (300 units total) of qualifying hybrid seed to be planted on the acreage rented from Landlord K. Tenant J and Landlord L each purchase 100 units (200 units total) of qualifying hybrid seed to be planted on the acreage rented from Landlord L. All of the qualifying hybrid seed is purchased from the same seed dealer.

Tenant J and Landlord L each insure their share of the crop planted. Landlord K does not insure his share of the crop. Tenant J’s Monsanto Technology Stewardship Agreement Number is BBBB BBBB. Landlord K’s Monsanto Technology Stewardship Agreement Number is CCCCCC. Landlord L’s Monsanto Technology Stewardship Agreement Number is DDDDDDD.

Result: The seed dealer must sign three separate BYE Seed Dealer Certification Statements because three different persons (Tenant J, Landlord K, and Landlord L) purchased qualifying hybrid seed.

The BYE Seed Dealer Certification Statement for the qualifying hybrids purchased by Tenant J must list “Tenant J” as the seed purchaser in item 2A, and “250” as the total (net) number of units of qualifying hybrid corn seed purchased in item 4.

The following provides the entries for items 5A, 5C, and 5G of the BYE Seed Dealer Certification Statement for Tenant J.

5A. Insured/Producer Name	5C. Monsanto Technology Stewardship Agreement Number	5G. Number of Units of Seed
Tenant J (tenant of landlord K and L)	BBBBBBB	135
Landlord K (landlord of tenant J)	BBBBBBB	75
Landlord L (landlord of tenant J)	BBBBBBB	40

13 BYE Seed Dealer Certification Statement Examples (continued)

The Monsanto Technology Stewardship Agreement Number for Tenant J must be listed for each person because Tenant J purchased all 250 units of the qualifying hybrid seed listed on this BYE Seed Dealer Certification Statement.

Each person's name and their share relationship (landlord/tenant) must be entered in item 5A. Each person's share of the total (net) number of units of qualifying hybrid seed purchased for the acreage in which they have a share of the crop must be entered in item 5G. The share division of the applicable units of qualifying hybrid seed must be the same as the share division of the crop, as provided on the acreage report.

The share division of the units of seed purchased by Tenant J in this example are: Landlord K has a 50 percent interest in 150 units of seed ($150 \times .5000 = 75$); Landlord L has 40 percent interest in 100 units of seed ($100 \times .4000 = 40$); and Tenant J has a 50 percent interest in 150 units of seed and 60 percent interest in 100 units of seed ($(150 \times .5000 = 75) + (100 \times .6000 = 60) = 135$).

The BYE Seed Dealer Certification Statement for the qualifying hybrids purchased by Landlord K must list "Landlord K" as the seed purchaser in item 2A, and "150" as the total (net) number of units of qualifying hybrid corn seed purchased in item 4.

The following provides the entries for items 5A, 5C, and 5G of the BYE Seed Dealer Certification Statement for Landlord K.

5A. Insured/Producer Name	5C. Monsanto Technology Stewardship Agreement Number	5G. Number of Units of Seed
Landlord K (landlord of tenant J)	CCCCCCC	75
Tenant J (tenant of landlord K)	CCCCCCC	75

The Monsanto Technology Stewardship Agreement Number for Landlord K must be listed for each person because Landlord K purchased all 150 units of the qualifying hybrid seed listed on this BYE Seed Dealer Certification Statement.

Each person's name and their share relationship (landlord/tenant) must be entered in item 5A. Each person's share of the total (net) number of units of qualifying hybrid seed purchased for the acreage in which they have a share of the crop must be entered in item 5G. The share division of the applicable units of qualifying hybrid seed must be the same as the share division of the crop, as provided on the acreage report.

The share division of the units of seed purchased by Landlord K in this example is: Landlord K has a 50 percent interest in 150 units of seed ($150 \times .5000 = 75$) and Tenant J has a 50 percent interest in 150 units of seed ($150 \times .5000 = 75$).

13 BYE Seed Dealer Certification Statement Examples (continued)

The BYE Seed Dealer Certification Statement for the qualifying hybrids purchased by Landlord L must list “Landlord L” as the seed purchaser in item 2A, and “100” as the total (net) number of units of qualifying hybrid corn seed purchased in item 4.

The following provides the entries for items 5A, 5C, and 5G of the BYE Seed Dealer Certification Statement for Landlord L.

5A. Insured/Producer Name	5C. Monsanto Technology Stewardship Agreement Number	5G. Number of Units of Seed
Landlord L (landlord of tenant J)	DDDDDDDD	40
Tenant J (tenant of landlord L)	DDDDDDDD	60

The Monsanto Technology Stewardship Agreement Number for Landlord L must be listed for each person because Landlord L purchased all 100 units of the qualifying hybrid seed listed on this BYE Seed Dealer Certification Statement.

Each person’s name and their share relationship (landlord/tenant) must be entered in item 5A. Each person’s share of the total (net) number of units of qualifying hybrid seed purchased for the acreage in which they have a share of the crop must be entered in item 5G. The share division of the applicable units of qualifying hybrid seed must be the same as the share division of the crop, as provided on the acreage report.

The share division of the units of seed purchased by Landlord L in this example are: Landlord L has a 40 percent interest in 100 units of seed ($100 \times .4000 = 40$) and Tenant J has a 60 percent interest in 100 units of seed ($100 \times .6000 = 60$).

To be eligible for the Pilot BYE, Tenant J must submit copies of **all three** BYE Seed Dealer Certification Statements and the associated purchase and return invoices to his AIP on or before the acreage reporting date. The AIP will use **all three** BYE Seed Dealer Certification Statements to determine the number of units of qualifying hybrid seed for Tenant J. Using the information in item 5A and 5G, the AIP determines that Tenant J has an interest in 500 units of qualifying hybrid seed. Because Tenant J has a share relationship (landlord/tenant) with all persons listed in item 5A of all three BYE Seed Dealer Certification Statements, Tenant J has an interest in all the units of seed listed on each BYE Seed Dealer Certification Statement ($135 + 75 + 40 + 75 + 75 + 40 + 60 = 500$).

To be eligible for the Pilot BYE, Landlord L must submit a copy of his BYE Seed Dealer Certification Statement (the one that lists him as the seed purchaser) and a copy of Tenant J’s BYE Seed Dealer Certification Statement (the one that list Tenant J as the seed purchaser) to his AIP. Both copies and the associated purchase and return invoices must be submitted to his AIP on or before the acreage reporting date. Because Landlord L does not have a share relationship with Landlord K, has no interest in the seed purchased by Landlord K, and is not listed on Landlord K’s BYE Seed Dealer Certification Statement, Landlord L does not need a copy of Landlord K’s BYE Seed Dealer Certification Statement.

13 BYE Seed Dealer Certification Statement Examples (continued)

The AIP will use **both** BYE Seed Dealer Certification Statements (Landlord L's and Tenant J's) to determine the number of units of qualifying hybrid seed for Landlord L.

Because Landlord L does **not** have a share relationship with all the persons listed in item 5A of Tenant J's BYE Seed Dealer Certification Statement, Landlord L cannot have an interest in all of the units of seed listed on Tenant J's BYE Seed Dealer Certification Statement. However, Landlord L does have a share relationship (landlord/tenant) with Tenant J on Tenant J's BYE Seed Dealer Certification Statement. Therefore, Landlord L does have an interest in some of the units of seed listed for Tenant J. In addition, Landlord L has an interest all of the units of seed listed in item 5G of his BYE Seed Dealer Certification Statement.

Using Landlord L's share division of the crop with Tenant J, as provided on the acreage report, and the information in item 5A and 5G of both BYE Seed Dealer Certification Statements, the AIP determines that Landlord L has an interest in a total of 200 units of qualifying hybrid seed.

Landlord L and Tenant J have a 40/60 percent share division of the crop, respectively, according to the acreage report. Landlord L has an interest in 40 units of seed according to Tenant J's BYE Seed Dealer Certification Statement item 5G. Therefore, the 40 units of seed listed for Landlord L represent 40 percent of the total units of seed in which Landlord L has an interest. Accordingly, Landlord L has an interest in 60 of the units of seed listed for Tenant J, resulting in an interest in 100 units of seed listed on Tenant J's BYE Seed Dealer Certification Statement. In addition, Landlord L has an interest in all 100 units of seed listed on his BYE Seed Dealer Certification Statement. The total number of units of seed in which Landlord L has an interest is 200 (40 units listed under his name on Tenant J's BYE Seed Dealer Certification Statement + 60 units listed under Tenant J on Tenant J's BYE Seed Dealer Certification Statement + 100 units listed on Landlord L's BYE Seed Dealer Certification Statement = 200).

14-20 (Reserved)

21 AIP Verification of Seed Hybrid and Sufficient Quantity

Before coding an insured's acreage report to indicate the insured is eligible for the Pilot BYE premium rate reduction on a unit, the AIP must ensure the insured has received a copy of the Pilot BYE, and verify both of the following:

- the seed hybrid(s) listed on the BYE Seed Dealer Certification Statement is a qualifying hybrid according to subparagraph A
- the amount of qualifying hybrid corn seed the insured obtained is sufficient to meet the planting requirements for each applicable unit according to subparagraph B.

A. Verification of Seed Hybrid

AIPs must verify the seed hybrid(s) listed on the BYE Seed Dealer Certification Statement(s) is a qualifying hybrid.

To verify the seed hybrid(s) listed on the BYE Seed Dealer Certification Statement(s) is a qualifying hybrid, AIPs shall verify the seed hybrid is listed as a qualifying hybrid at www.biotechyieldendorsement.com. If the AIP does not have access to the internet, has difficulty utilizing the website, or has questions regarding the information on the website, the AIP can receive assistance by calling 1-888-852-8522 or through e-mail at Biotech.Yield.Endorsement@Monsanto.com.

If none of the seed hybrids obtained by the insured are qualifying hybrids, the insured is **not** eligible for the Pilot BYE premium rate reduction on any unit.

If some of the seed hybrids obtained by the insured are **not** a qualifying hybrid, the AIP shall:

- line through the non-qualifying hybrids/amounts on the BYE Seed Dealer Certification Statement
- **not** use the non-qualifying hybrids in the calculation to determine whether the insured obtained a sufficient quantity of qualifying hybrids to meet the planting requirements.

B. Verification of Sufficient Quantity

AIPs must verify the quantity of qualifying hybrids obtained by the insured, as provided on the BYE Seed Dealer Certification Statement(s), is a sufficient quantity to meet the planting requirements of the Pilot BYE on each unit the insured identifies as eligible for the Pilot BYE premium rate reduction. See subparagraph 11B for the planting requirements of the Pilot BYE.

B. Verification of Sufficient Quantity (continued)

The following table provides instructions for determining whether the quantity of qualifying hybrids obtained by the insured is sufficient to meet the planting requirements of the Pilot BYE using a standard seeding rate of 2.7 acres per unit of seed.

A unit of seed equals 80,000 kernels. Most qualifying hybrid seed is sold in a bag that contains 80,000 kernels (1 unit). However, qualifying hybrid seed may also be sold in a mini bulk unit that normally contains 4 million kernels (50 units). In rare situations, a bag of qualifying hybrid seed may contain only 40,000 kernels (0.5 units)

A standard seeding rate of 2.7 acres per unit of seed would result in approximately 29,630 kernels per acre (80,000 kernel unit/2.7 acres = 29,630 kernels per acre).

The result of the table only indicates whether the insured obtained a sufficient quantity of qualifying hybrids to meet the planting requirements of the Pilot BYE for the unit selected. It does NOT determine whether the insured actually planted the qualifying hybrid(s) on the unit selected. Insureds are subject to spot-checks, at any time, to test the plants for the presence of the required traits and to verify the planting requirements are met.

Step	Action	Result
1	Determine the net number of units of qualifying hybrid seed obtained. Using the seed invoices attached to the insured’s BYE Seed Dealer Certification Statement, subtract the number of units of qualifying hybrid seed returned from the number of units of qualifying hybrid seed purchased.	Net number of units of qualifying hybrid seed obtained.
2	Verify the result of step 1 equals the total (net) number of units of qualifying hybrid seed listed in item 4 of the BYE Seed Dealer Certification Statement. If the net number of units of qualifying hybrid seed obtained: <ul style="list-style-type: none"> • equals the total (net) number of units of qualifying hybrids listed in item 4 of the BYE Seed Dealer Certification Statement, go to step 3 • does not equal the total (net) number of units of qualifying hybrids listed in item 4 of the BYE Seed Dealer Certification Statement, the insured is ineligible for the Pilot BYE premium rate reduction. Do not go to step 3 and do not code the insured’s acreage report as being eligible for the Pilot BYE premium rate reduction. The insured must obtain a corrected BYE Seed Dealer Certification Statement from the seed dealer if the insured wishes to be eligible for the Pilot BYE premium rate reduction. 	

21 AIP Verification of Seed Hybrid and Sufficient Quantity (continued)

B. Verification of Sufficient Quantity (continued)

Step	Action	Result
3	<p>Verify the total of column 5G of the BYE Seed Dealer Certification Statement equals the (net) number of qualifying hybrids listed in item 4 of the BYE Seed Dealer Certification Statement.</p> <p>If the total of column 5G:</p> <ul style="list-style-type: none"> • equals the total (net) number of units of qualifying hybrids in item 4, go to step 4 • does not equal the total (net) number of units of qualifying hybrids in item 4, the insured must correct the applicable entries in item 5 before continuing to step 4. 	
4	<p>From the BYE Seed Dealer Certification Statement(s), sum the number of units of qualifying hybrid seed obtained by the insured for the crop insurance policy number for which the acreage report is being filed.</p> <p>Example: The BYE Seed Dealer Certification Statement provides that for policy number xx-yyy-zzzzzzz Insured A obtained 50 units of seed hybrid AAA, 50 units of seed hybrid BBB, and 165 units of seed hybrid CCC. The sum of the number of units of qualifying hybrid seed for Insured A's policy xx-yyy-zzzzzzz is 265 (50 + 50 + 165 = 265).</p> <p>If the insured is listed on the BYE Seed Dealer Certification Statement(s) with a share relationship with another producer, the AIP must ensure they include all units of seed in which the insured has an interest. See paragraph 13 for examples.</p>	Total number of units of qualifying hybrid seed obtained by the insured for the applicable policy.
5	<p>Multiply the result of step 4 times 2.7.</p> <p>A seeding rate of 2.7 acres per unit of seed is used to determine the number of acres that could be planted using a standard seeding rate.</p> <p>Example: The total number of units of qualifying hybrid seed obtained by Insured A for policy xx-yyy-zzzzzzz was 265. The number of acres that could have been planted to those qualifying hybrids is 715.5 (265 x 2.7 = 715.5).</p> <p>If an insured indicates they used a seeding rate other than 2.7 that significantly changes the number of acres that could have been planted, the AIP should use the seeding rate provided by the insured.</p>	Total number of acres that could have been planted to qualifying hybrids.

21 AIP Verification of Seed Hybrid and Sufficient Quantity (continued)

B. Verification of Sufficient Quantity (continued)

Step	Action	Result
6	<p>From the insured’s acreage report, select the first unit the insured indicates meets the planting requirements of the Pilot BYE, and sum the number of insured acres planted to corn within the unit. All planted corn acres must be summed, regardless of practice, type, or variety. Do not include prevented planting acres in the calculation.</p> <p>Example: Insured A has 3 units (00100, 00200, and 00300). Insured A indicated that units 00100 and 00300 meet the planting requirements, and reported the following:</p> <ul style="list-style-type: none"> • for unit 00100, 190 acres non-irrigated corn for grain, 20 acres non-irrigated corn for silage, 40 acres irrigated corn for grain, and 10 acres prevented planting corn • for unit 00200, 160 acres irrigated corn for grain and 160 acres of non-irrigated corn for grain • for unit 00300, 700 acres non-irrigated corn for grain. <p>AIP selects unit 00100 and sums the insured acres planted to corn within that unit. The total number of acres planted to corn within unit 00100 is 250 acres (190 + 20 + 40 = 250).</p>	Total number of insured planted corn acres within the unit selected.
7	<p>Verify that at least 75 percent of the total corn acres planted on the unit selected is non-irrigated corn for grain.</p> <p>If at least 75 percent of the total corn acres planted is non-irrigated corn for grain, go to step 8.</p> <p>If less than 75 percent of the total acres planted to corn is non-irrigated corn for grain, the insured is not eligible for the Pilot BYE premium rate reduction on the unit selected. Do not go to step 8 or code the corn acreage for the unit as eligible for the Pilot BYE.</p>	
8	<p>Multiply the result of step 6 times .75.</p> <p>Example: The total number of insured acres planted to corn within Insured A’s unit 00100 is 250 acres. 75 percent of 250 acres is 187.5 acres (250 x .75 = 187.5).</p>	75 percent of the total insured acres planted to corn with the unit selected.

21 AIP Verification of Seed Hybrid and Sufficient Quantity (continued)

B. Verification of Sufficient Quantity (continued)

Step	Action	Result
9	<p>Subtract the result of step 8 from the result of step 5. If the result of this step is:</p> <ul style="list-style-type: none"> • zero or greater, the insured obtained a sufficient quantity of qualifying hybrids to meet the planting requirements of the Pilot BYE for the unit selected • less than zero, the insured did not obtain a sufficient quantity of qualifying hybrids to meet the planting requirements of the Pilot BYE for the unit selected, and is not eligible for the Pilot BYE premium rate reduction on that unit. <p>Example: Insured A obtained an amount of qualifying hybrids sufficient to plant 715.5 acres (step 5). 75 percent of the total insured acres planted to corn in unit 00100 is 187.5 acres (step 8). Insured A obtained a sufficient quantity of qualifying hybrids to meet the planting requirements on unit 00100 (715.5 – 187.5 = 528).</p> <p>The result of this step only indicates whether the insured obtained a sufficient quantity of qualifying hybrids to have at least 75 percent of all planted corn acres in the selected unit be planted to a qualifying hybrid. It does not indicate that those acres were actually planted to a qualifying hybrid. Insureds who are eligible for the Pilot BYE are subject to spot-checks, at any time, to test the plants for the presence of the required traits and verify the planting requirements are met.</p>	<p>Determines (1) whether the insured obtained a sufficient quantity of qualifying hybrids to meet the planting requirements of the Pilot BYE on the unit selected; and (2) the number of acres, if any, that could be planted with the remaining qualifying hybrids.</p>
10	<p>If the insured indicates there is another unit that meets the planting requirements of the Pilot BYE, enter the result of step 9 as the result of step 5 and repeat steps 6 through 9 for the applicable unit.</p> <p>Example: Insured A obtained an amount of qualifying hybrids sufficient to plant 715.5 acres (step 5), and planted 250 acres of corn on unit 00100 (step 6). To be eligible for the Pilot BYE on unit 00100, at least 187.5 acres (step 8) of the corn planted on unit 00100 must be non-irrigated corn for grain planted to a qualifying hybrid. Insured A did obtain a sufficient amount of qualifying hybrids to meet the planting requirements for unit 00100 (715.5 – 187.5 = 528), and have qualifying hybrids remaining.</p> <p>Insured A indicates he has another unit (unit 00300) that is eligible for the Pilot BYE. To determine if Insured A obtained a sufficient amount of qualifying hybrids for unit 00300, enter 528 acres as the result of step 5, and repeat steps 6 through 9 for unit 00300.</p>	

To receive the Pilot BYE premium rate reduction, ALL **PLANTED** acres reported as corn within the applicable unit qualifying for the Pilot BYE must be coded with an option code of “BY”.

If all of the following are met, the AIP must code ALL corn acres reported as **PLANTED** within the unit qualifying for the Pilot BYE with an option code of “BY”.

- ALL eligibility requirements of subparagraph 11B are met
- seed hybrid(s) was verified as a qualifying hybrid according to paragraph 21
- a sufficient quantity of qualifying hybrids was obtained according to paragraph 21.

Corn acres planted to a non-qualifying hybrid and corn acres planted to qualifying hybrids within a unit qualifying for the Pilot BYE do not have to be reported as separate line items on the acreage report.

Examples: Scenario 1: Insured A has a basic unit (unit 00100) comprised of 400 acres. Insured A plants 320 acres to non-irrigated corn for grain planted to a qualifying hybrid, and 80 acres of non-irrigated corn for silage planted to a non-qualifying hybrid. Insured A reports the 320 acres of non-irrigated corn for grain and the 80 acres of non-irrigated corn for silage as two line items on the acreage report.

Result: Provided all eligibility requirements are met, each line item (320 acres corn for grain and 80 acres corn for silage) is coded with an option code of “BY”, and Insured A will receive the Pilot BYE premium rate reduction on unit 00100.

Scenario 2: Insured B has a basic unit (unit 00200) comprised of 300 acres. Insured B plants 240 acres to non-irrigated corn for grain planted to a qualifying hybrid, and 60 acres of non-irrigated corn for grain planted to a non-qualifying hybrid. Insured B reports all 300 acres of non-irrigated corn for grain as one line item on the acreage report.

Result: Provided all eligibility requirements are met, the line item (300 acres corn for grain) is coded with an option code of “BY”, and Insured B will receive the Pilot BYE premium rate reduction on unit 00200. The corn acres planted to a non-qualifying hybrid do not have to be reported as a separate line item on the acreage report.

22 Acreage Report (continued)

Prevented planting acreage is **not** eligible for the Pilot BYE premium rate reduction. Accordingly, acreage reported as prevented planting shall never be coded with an option code of “BY”.

Example: Scenario 1: Insured C has a basic unit (unit 00300) comprised of 500 acres. Insured C plants 300 acres to non-irrigated corn for grain planted to a qualifying hybrid, 100 acres to non-irrigated corn for grain planted to non-qualifying hybrids, and was prevented from planting 100 acres. Insured C reports the 400 acres of non-irrigated corn for grain and the 100 prevented planting acres as two separate line items on the acreage report.

Result: Provided all eligibility requirements are met, the line item for the 400 acres of non-irrigated corn for grain is coded with an option code of “BY”. The line item for the 100 prevented planted acres shall **not** be coded with an option code of “BY”.

23 WITHDRAWN (9-26-2008)

24-30 (Reserved)

Part 3 Spot-Checks
Section 1 Required Spot-Check of Randomly Selected Policies

31 General Information

The Pilot BYE provides that spot-checks and reviews may be conducted at any time to verify both the following:

- compliance with the terms and conditions of the Pilot BYE, including conducting spot-checks to test plants for the presence of the required traits
- the information contained on the BYE Seed Dealer Certification Statement, including verifying the amount of qualifying hybrid seed obtained, is adequate to meet the planting requirements.

A. Required Spot-Checks

AIPs must spot-check all the following to verify compliance with the terms and conditions of the Pilot BYE:

- all policies identified as eligible for the Pilot BYE premium rate reduction that have loss claims in excess of \$100,000
- 3 percent of all policies identified as eligible for the Pilot BYE premium rate reduction that have a total liability for all insured corn under the policy of less than \$500,000
- 5 percent of all policies identified as eligible for the Pilot BYE premium rate reduction that have a total liability for all insured corn under the policy of \$500,000 or more.

Important: The total liability for all insured corn acres under the policy shall be used to determine whether the policy is part of the 3 percent or 5 percent spot-checks.

Example: Insured A has five different units planted to corn. Three of the units qualify for the Pilot BYE. The liability of the three units that qualify for the Pilot BYE is less than \$500,000. However, the total liability for all insured corn under the policy (all five units) is over \$500,000. Insured A's policy is subject to the 5 percent random spot-check selection process.

See subparagraph B for randomly selecting the 3 and 5 percent of applicable policies for spot-check. See Section 2 for spot-checking applicable policies that have loss claims in excess of \$100,000.

A. Required Spot-Checks (continued)

AIPs may at any time perform a spot-check on any policy eligible for the Pilot BYE premium rate reduction if the AIP has reason to believe the insured is not in compliance with the Pilot BYE terms and conditions. Such spot-checks will not count towards the random 3 and 5 percent required spot-checks.

B. Random Selection of Policies for Spot-Check

The random selection of policies for spot-check shall be based on the associated acreage report and total liability for all insured corn under the policy. See paragraph 22 for coding acreage reports for the Pilot BYE.

AIPs shall randomly select both of the following:

- 3 percent of all policies identified as eligible for the Pilot BYE premium rate reduction that have a total liability for all insured corn under the policy of less than \$500,000
- 5 percent of all policies identified as eligible for the Pilot BYE premium rate reduction that have a total liability for all insured corn under the policy of \$500,000 or more.

Important: The total liability for all insured corn acres under the policy shall be used to determine whether the policy is part of the 3 percent or 5 percent spot-checks.

C. Deadline to Complete Spot-Checks of Randomly Selected Policies

All spot-check activities for the policies randomly selected according to subparagraph B must be completed on or before September 15 of the crop year. The September 15 deadline does not apply to spot-checks of policies with loss claims in excess of \$100,000.

D. Purpose of Random Spot-Checks

The purpose of the spot-checks is to determine whether the insured is in compliance with the terms and conditions of the Pilot BYE by verifying all of the following:

- the corn seed obtained is a qualifying hybrid
- the amount of qualifying hybrids the insured obtained is sufficient to meet the planting requirements for the unit(s) identified
- the presence of the required traits in selected plants.

A. Random Selection of Policies

AIPs must ensure the policies selected for spot-check represent a random sample from ALL policies eligible for the Pilot BYE premium rate reduction. ALL policies eligible for the Pilot BYE premium rate reduction must be subject to the random selection process.

AIPs shall NOT spot-check a majority of the policies for which an acreage report was received early in order to meet the minimum percentage spot-check requirements, then not subject subsequent policies to the selection process.

Example: An AIP estimates there will be 1,000 policies eligible to receive the Pilot BYE premium rate reduction. By July 15, the AIP has received 400 acreage reports with an option code of “BY”. The AIP shall NOT select a large number of the initial policies for spot-check, and then not select any further policies from acreage reports received after July 15. The AIP must subject ALL applicable policies to the random selection process.

AIPs shall randomly select and spot-check applicable policies at specific intervals. Randomly selecting and spot-checking policies at the specific intervals ensures all of the following:

- all applicable policies are subject to the random selection process
- a viable green plant tissue sample will be available for trait expression testing
- AIPs can manage their resources and workload in order to timely and accurately complete all required spot-checks by September 15 of the crop year
- the approved laboratories can test the submitted samples in a timely and efficient manner.

On each of the following dates for the crop year, AIPs shall randomly select 3 percent of applicable policies that have a total liability for all insured corn under the policy of less than \$500,000, and 5 percent of all applicable policies that have a total liability for all insured corn under the policy of \$500,000 or more:

- July 15
- August 1
- August 15
- September 5.

A. Random Selection of Policies (continued)

Only those policies for which an acreage report was received since the last interval date shall be subject to random selection. If less than 20 acreage reports containing an option code of “BY” are received for an interval, the AIP shall randomly select one of the applicable policies received during that interval.

Example: On July 15, the AIP randomly selects 3 percent of all applicable policies with total liability for all insured corn under the policy of less than \$500,000, and 5 percent of all applicable policies with total liability for all insured corn under the policy of \$500,000 or more from acreage reports received by July 14 and begins to spot-check those policies. On August 1, the AIP repeats the selection process using acreage reports received from July 15 through July 31 and begins to spot-check those policies. On August 15, the AIP repeats the selection process again using acreage reports received from August 1 through August 14 and begins to spot-check those policies. On September 5, the AIP repeats the selection process again using acreage reports received from August 15 through September 4 and begins to spot-check those policies.

If the date to randomly select policies for spot-check is a holiday or weekend, AIP shall make the selection the next business day.

B. Obtaining Collection and Shipping Material

Verification of the presence of the required traits must be performed by an approved laboratory using plant tissue samples collected from plants within the applicable unit.

AIPs must request from the Monsanto Company (Monsanto) the materials needed for collection, identification and submission of plant tissue samples for trait expression testing. In addition to the collection/shipping materials required, Monsanto will provide DVDs detailing how to collect and submit the required plant tissue samples. AIPs will not be charged for the collection/shipping materials or the DVDs.

AIPs must provide Monsanto with both of the following when requesting the materials needed for collection and submission of the plant tissue samples:

- mailing address where the materials are to be delivered
- name and phone number of contact person for the AIP.

C. Notification to Insured of Selection for Spot-Check

AIPs must notify each insured selected for spot-check of all the following:

- their policy has been randomly selected for spot-check to verify compliance with the Pilot BYE

C. Notification to Insured of Selection for Spot-Check (continued)

- **ALL** units the insured identified as eligible for the Pilot BYE premium rate reduction for the policy selected will be spot-checked
- the insured must identify and provide to the AIP the physical location of the non-irrigated corn for grain acreage planted to qualifying hybrids, and the physical location of any other corn planted within the applicable unit(s)
- if applicable, the insured must identify and provide to the AIP any planting pattern where non-irrigated corn for grain planted to a qualifying hybrid and any other corn is planted in an alternating pattern, such as every 10th and 11th row of corn in a field is planted to a non-qualifying hybrid.

D. Performing Spot-Check Activities

The following table provides instructions for completing the required spot-check activities for the randomly selected policies. See subparagraph F and Part 4 when an insured is determined ineligible for the Pilot BYE premium rate reduction.

In order to ensure the best opportunity to collect green leaf plant tissue samples, AIPs should start the spot-check process immediately after the policy is selected for spot-check. However, all spot-check activities for all policies randomly selected must be completed on or before September 15 of the crop year.

Step	Action
1	Obtain a copy of the insured’s BYE Seed Dealer Certification Statement(s) and the associated seed purchase and return invoices.
2	<p>Contact the seed dealer listed on the BYE Seed Dealer Certification Statement(s), and verify the invoices submitted by the insured represent all the qualifying hybrids purchased and returned for the insured.</p> <p>If the seed hybrid and/or number of units of qualifying hybrids listed for the insured on the BYE Seed Dealer Certification Statement is incorrect, the AIP shall:</p> <ul style="list-style-type: none"> • note the correct hybrid/amount on the BYE Seed Dealer Certification Statement • use the correct hybrid/amount when completing steps 3 and 4.

D. Performing Spot-Check Activities (continued)

Step	Action
3	<p>Verify the seed hybrid(s) obtained by the insured is a qualifying hybrid by following the procedure in subparagraph 21A.</p> <p>Verification of the seed hybrid(s) was conducted at the time the insured filed the acreage report. However, because the policy is selected for spot-check, the AIP must confirm the seed hybrid obtained is a qualifying hybrid.</p> <p>If none of the seed hybrids obtained by the insured are qualifying hybrids, the insured is not eligible for the Pilot BYE premium rate reduction on ANY unit, and the AIP is not required to complete steps 4 and 5 of this table. See subparagraph F and Part 4 when an insured is determined ineligible.</p>
4	<p>For each unit the insured indicated as eligible for the Pilot BYE premium rate reduction, verify the quantity of qualifying hybrids obtained by the insured is sufficient to meet the planting requirements of the Pilot BYE by following the procedure in subparagraph 21B.</p> <p>Verification of the quantity of qualifying hybrids was conducted at the time the acreage report was filed. However, because the policy was selected for spot-check, the AIP must confirm the insured obtained a sufficient quantity to meet the planting requirements of the Pilot BYE in the unit(s) indicated.</p>
5	<p>Collect and mail the required plant tissue samples according to paragraph 33.</p>

E. Notification to RMA of Spot-Check Progress and Findings

AIPs shall submit a weekly report to RMA that provides all of the following information:

- AIP name
- AIP contact person and phone number
- date of the report
- crop year
- total number of policies for which all spot-check activities have been completed
- number of policies determined not to be in compliance with the Pilot BYE.

AIPs shall submit the weekly report:

- through e-mail to directorpdd@rma.usda.gov
- beginning the week of July 31 and ending the week of September 22.

F. Notification to Insured of Spot-Check Determinations

When an insured is determined **not** to be in compliance with the Pilot BYE on any unit under the policy spot-checked, the AIP shall notify the insured of all the following:

- they have been determined not to be in compliance with the Pilot BYE
- reason for the determination
- their policy has been voided
- they are required to pay 20 percent of the premium due, if applicable
- they are required to refund all indemnities paid for the crop year, if applicable
- they have a right to mediation or arbitration, as applicable.

See Part 4 when an insured is determined not to be in compliance with the Pilot BYE.

G. Mediation and Arbitration

When an insured's policy is voided because of non-compliance with the Pilot BYE, the insured shall be provided applicable rights according to the Basic Provisions of their policy.

H. Maintaining Trait Expression Test Results

AIP shall maintain the BYE Compliance Sample Information Form indicating the laboratory trait expression test results for each policy for 3 years. See paragraph 33 and 34 for more information about the BYE Compliance Sample Information Form.

33 Collecting and Shipping Plant Tissue Samples

A. Trait Expression Testing

A trait expression test is performed to determine both of the following:

- whether the plant tested contains all three of the proprietary biotech traits: YieldGard[®] Corn Borer, YieldGard[®] Rootworm, and Roundup Ready[®] Corn 2
- whether the planting requirements were met for the unit.

For the Pilot BYE, the presence of the required traits must be determined by one of the following laboratories using plant tissue samples obtained from the applicable units:

- BioLab Solutions
- Illinois Crop Improvement Association.

A. Trait Expression Testing (continued)

The materials Monsanto will provide to the AIP will indicate which of the approved laboratories shall test the plant tissue samples.

B. Determining Units and Fields

The Pilot BYE premium rate reduction is applied at the unit level. Accordingly, for each randomly selected policy, plant tissue samples from each unit identified as eligible for the Pilot BYE premium rate reduction must be tested for the required traits.

For each unit identified as eligible for the Pilot BYE premium rate reduction, the insured must identify all the acreage/fields planted to qualifying hybrids used to meet the planting requirements of the Pilot BYE. If only a part of the field is planted to qualifying hybrids, the insured must identify the physical location of the non-irrigated corn for grain acreage planted to qualifying hybrids and the physical location of any other corn planted within the field. If the qualifying hybrids and any other corn are planted in an alternating pattern, such as every 10th and 11th row of corn in the field is planted to a non-qualifying hybrid, the insured must identify the specific planting pattern.

Example: Insured A's policy was randomly selected for spot-check. Insured A has three optional units (00101, 00102 and 00103), and identified two of those units (00101 and 00103) as eligible for the Pilot BYE premium rate reduction.

There are four fields in unit 00101 and three fields in unit 00103. Insured A identified three of the four fields in unit 00101 and all three fields in unit 00103 as being non-irrigated corn for grain planted to qualifying hybrids used to meet the planting requirements of the Pilot BYE.

Plant tissue samples must be obtained from all the applicable fields in units 00101 and 00103. The AIP shall obtain plant tissue samples from each unit according to subparagraph C.

Plant tissue samples shall not be obtained from unit 00102 because Insured A did not identify it as eligible for the Pilot BYE premium rate reduction. Plant tissue samples shall not be obtained from the fourth field in unit 00101 because Insured A indicated that field was not used to meet the planting requirements of the Pilot BYE.

Once the insured has identified the applicable acreage/fields, the AIP shall randomly select 10 corn plants located throughout the unit and collect a plant tissue sample from each plant, according to subparagraph C.

C. Collecting and Mailing Plant Tissue Samples for Laboratory Testing

A plant tissue sample (plant leaf) must be obtained from 10 separate corn plants located within each unit identified as eligible for the Pilot BYE premium rate reduction. The plant tissue samples must be obtained from the acreage/fields identified by the insured according to subparagraph B.

The following table provides instructions for AIPs to collect and mail plant tissue samples for laboratory testing.

Step	Action
1	<p>For each unit identified as eligible for the Pilot BYE premium rate reduction, randomly select 10 separate plants within the acreage/field(s) identified by the insured according to subparagraph B.</p> <p>Each plant selected must represent different locations within the unit/field and must be both of the following:</p> <ul style="list-style-type: none"> • 100 feet or more from the edge of the field • separated by at least 100 feet. <p>Important: If the insured indicated the field was planted to both qualifying hybrids and other corn seed in an alternating pattern, the AIP must ensure the plant selected is within the qualifying hybrid portion of the planting pattern.</p> <p>If the unit has 10 or less fields the insured identified as planted to qualifying hybrids used to meet the planting requirements of the Pilot BYE, at least one plant in each field must be selected. The remaining plants, to reach a total of 10, may be selected from any of the identified fields.</p> <p>If the unit has more than 10 fields the insured identified as planted to qualifying hybrids used to meet the planting requirements of the Pilot BYE, randomly select 10 of the fields and select one plant in each of those fields.</p>
2	<p>For each of the plants selected in item 1, locate and remove the greenest leaf that is located directly above the highest corn ear.</p>
3	<p>Place the removed leaf in a separate sample collection bag. Each leaf must be placed in a separate sample collection bag to prevent cross contamination.</p>
4	<p>Once all 10 plant tissue samples for the unit have been collected and placed in separate sample collection bags, place all 10 sample collection bags together in one bag (i.e. Put all 10 sample bags containing plant leaves from the unit into one bag).</p> <p>All required bags will be included in the materials provided by Monsanto.</p>

33 Collecting and Shipping Plant Tissue Samples (continued)

C. Collecting and Mailing Plant Tissue Samples for Laboratory Testing (continued)

Step	Action
5	<p>Complete a BYE Compliance Sample Information Form for the unit, staple the form to the bag containing the 10 sample collection bags containing the plant tissue samples for the unit, and place it in the shipping container. Do not staple through the plant tissue samples.</p> <p>ALL entries in Section A of the BYE Compliance Sample Information Form must be completed by the AIP. Section B of the form will be completed by the laboratory performing the trait expression test.</p> <p>BYE Compliance Sample Information Forms and shipping containers are included in the material provided by Monsanto.</p>
6	<p>Repeat steps 1 through 5 for each unit the insured identified as eligible for the Pilot BYE premium rate reduction under the policy selected.</p>
7	<p>Once all plant tissue samples from all applicable units of the policy have been collected and BYE Compliance Sample Information Forms completed, place the mailing label on the outside of the shipping container, properly seal the shipping container and mail to the designated laboratory within 24 hours of removing the plant tissue samples.</p> <p>The plant tissue samples must be mailed to the designated laboratory within 24 hours of the plant tissue being removed from the plant.</p> <p>Shipping labels with the designated laboratory address information completed are included in the material provided by Monsanto. The plant tissue samples must be mailed to the designated laboratory on the mailing label provided.</p>

34 Laboratory Trait Expression Testing and Results

The applicable laboratory will randomly select three plant tissue samples for each unit and will perform trait expression tests to determine whether the required traits are present.

For the unit to receive a positive test result, at least two of the three plant tissue samples tested must contain the required traits.

The laboratory will complete the trait expression tests and provide the test results to the applicable AIP within 10 business days of receiving the plant tissue samples. The laboratory will provide the test results to the applicable AIP by completing Section B of the BYE Compliance Sample Information Form, and e-mailing the completed form to the AIP.

34 Laboratory Trait Expression Testing and Results (Continued)

In addition, each approved laboratory will provide an annual report of test results to Monsanto.

If the AIP does not receive the laboratory test results within 12 business days of mailing the plant tissue samples, the AIP shall contact Monsanto's project coordinator.

AIPs shall maintain the BYE Compliance Sample Information Form for each policy tested for 3 years. If the insured is determined not to be in compliance with the Pilot BYE, the AIP shall notify the insured according to subparagraph 32F.

35 Insufficient Plant Tissue Available

If there is insufficient plant tissue available to collect for submission to the approved laboratory, the AIP shall take **all** the following actions:

- thoroughly document the reason why insufficient plant tissue is not available, such as the plants were stripped of leaves by a hailstorm, the crop was chopped or harvested, the crop was under water due to severe flooding, or there is no green leaf tissue left on any standing corn plant, etc.
- maintain the documentation for 3 years
- randomly select another policy to spot-check
- spot-check the newly selected policy according to this section.

36-40 (Reserved)

Section 2 Required Spot-Checks of Policies with Loss Claims in Excess of \$100,000

41 Verification of Seed Hybrid and Sufficient Quantity

The Pilot BYE provides that spot-checks and reviews may be conducted at any time to verify both the following:

- compliance with the terms and conditions of the Pilot BYE, including conducting spot-checks to test plants for the presence of the required traits
- the information contained on the BYE Seed Dealer Certification Statement, including verifying the amount of qualifying hybrid seed obtained is adequate to meet the planting requirements.

A. Policies with Loss Claims in Excess of \$100,000

In addition to the required spot-checks of randomly selected policies according to Section 1, AIPs must spot-check ALL policies that meet both of the following:

- are eligible for the Pilot BYE premium rate reduction
- have loss claims in excess of \$100,000.

Important: The total loss claims for the corn crop policy shall be used to determine whether the policy must be spot-checked.

Example: Insured A has five different units planted to corn. Three of the units qualify for the Pilot BYE. Insured A has loss claims of \$150,000 for the insured corn. Insured A's policy must be spot-checked. The loss claim amount of each of the individual units is not relevant. The total loss claims for the insured corn under the policy is used to determine whether the policy must be spot-checked

The spot-check requirements in this section are in addition to those provided in the Standard Reinsurance Agreement for policies with loss claims in excess of \$100,000.

If loss claims in excess of \$100,000 are filed for a policy that was previously spot-checked according to the procedures of Section 1, no further spot-check is required for the purposes of the Pilot BYE.

B. AIP Verification of Seed Hybrid and Sufficient Quantity

The following table provides instructions for verifying the seed hybrid and quantity of qualifying hybrids obtained by the insured for policies with loss claims in excess of \$100,000. See Part 4 when an insured is determined ineligible for the Pilot BYE premium rate reduction.

41 Verification of Seed Hybrid and Sufficient Quantity (continued)

B. AIP Verification of Seed Hybrid and Sufficient Quantity (continued)

Step	Action
1	Obtain a copy of the insured's BYE Seed Dealer Certification Statement(s) and the associated seed purchase and return invoices.
2	<p>Contact the seed dealer listed on the BYE Seed Dealer Certification Statement(s) and verify that the invoices submitted by the insured represent all the qualifying hybrid seed purchased and returned for the insured.</p> <p>If the seed hybrid and/or number of units of qualifying hybrid seed listed for the insured on the BYE Seed Dealer Certification Statement is incorrect, the AIP shall:</p> <ul style="list-style-type: none"> • note the correct hybrid/amount on the BYE Seed Dealer Certification Statement • use the correct hybrid/amount when completing steps 3 and 4.
3	<p>Verify the seed hybrid(s) obtained by the insured is a qualifying hybrid by following the procedure in subparagraph 21A.</p> <p>Verification of the seed hybrid(s) was conducted at the time the acreage report was filed. However, because loss claims in excess of \$100,000 was filed, the AIP must confirm the seed hybrid obtained is a qualifying hybrid.</p> <p>If none of the seed hybrids obtained by the insured are qualifying hybrids, the insured is not eligible for the Pilot BYE premium rate reduction on ANY unit, and the AIP is not required to complete step 4 of this table.</p>
4	<p>For each unit the insured indicated as eligible for the Pilot BYE premium rate reduction, verify that the quantity of qualifying hybrids obtained by the insured is sufficient to meet the planting requirements of the Pilot BYE by following the procedure in subparagraph 21B.</p> <p>Verification of the quantity of qualifying hybrids was conducted at the time the acreage report was filed. However, because loss claims in excess of \$100,000 was filed, the AIP must confirm the insured obtained a sufficient quantity to meet the planting requirements in the unit(s) indicated.</p>

41 Verification of Seed Hybrid and Sufficient Quantity (continued)

C. Notification to Insured of Spot-Check Determinations

When an insured is determined to **not** be in compliance with the Pilot BYE on any unit of the policy spot-checked, the AIP shall notify the insured of all of the following:

- they have been determined not to be in compliance with the Pilot BYE
- reason for the determination
- their policy has been voided
- they are required to pay 20 percent of the premium due, if applicable
- they are required to refund all indemnities paid for the crop year, if applicable
- they have a right to mediation or arbitration, as applicable.

See Part 4 when an insured is determined ineligible for the Pilot BYE premium rate reduction.

D. Mediation and Arbitration

When an insured's policy is voided because of non-compliance with the Pilot BYE, the insured shall be provided applicable rights according to the Basic Provisions of their policy.

42 Collection of Plant Tissue and Trait Expression Testing

AIPs are not required to collect plant tissue samples for trait expression testing for policies with loss claims in excess of \$100,000.

43-50 (Reserved)

Part 4 Compliance

51 Noncompliance with Pilot BYE Terms and Conditions

An insured shall be determined **not** to be in compliance with the Pilot BYE if any of the following occur:

- insured does not have an eligible policy and plan of insurance
- the acreage in the unit is not located in the pilot area
- the planting requirements of the Pilot BYE are not met on any unit identified on the insured's acreage report as eligible for the Pilot BYE premium rate reduction
- insured does not provide all the following on or before the acreage reporting date:
 - signed and dated BYE Insured's Certification Statement
 - completed, signed and dated Seed Dealer Certification Statement listing the insured with all the required information
 - copies of purchase and return seed invoices corresponding to the insured's Seed Dealer Certification Statement
 - an acreage report identifying acreage and unit(s) meeting the planting requirements
- the insured provides false or fraudulent certifications under the Pilot BYE
- the trait expression test result for any unit is negative.

52 Voiding Policies

When an insured is determined not to be in compliance with the terms and conditions of the Pilot BYE on **ANY** unit identified on the insured's acreage report as eligible for the Pilot BYE premium rate reduction, the insured's policy shall be voided.

The voidance will be effective on the first day of the insurance period for the crop year in which the insured is determined not to be in compliance. However, the voidance of the policy will not affect the insured's ability to obtain crop insurance in subsequent years.

The AIP may require the insured to pay 20 percent of the premium due under the policy in accordance with the Basic Provisions. If required by the AIP, the 20 percent shall be calculated based on the premium amount that would have been due without the Pilot BYE premium rate reduction.

52 Voiding Policies (continued)

In addition to the policy being voided, administrative, civil or criminal sanctions may be applicable in accordance with the Basic Provisions.

53 Other Insureds with a Share in Acreage Determined Out of Compliance

When a unit is determined ineligible for the Pilot BYE, the AIP that made the determination must determine whether there are other insureds who share in some or all of the acreage in that unit. When there are other insureds that share in some or all of the acreage in the applicable unit, the AIP must take action according to the following table.

If the other insured(s) is insured by ...	Then ...
the same AIP	<p>the AIP must determine whether the other insured(s) is also out of compliance with the Pilot BYE.</p> <p>If the acreage of the other insured(s) is the same acreage that was determined out of compliance, and the other insured(s) indicated their acreage was eligible for the Pilot BYE, then the other insured(s) is also out of compliance.</p> <p>Example: Insured A's policy was randomly selected for spot-check and unit 00100 was determined out of compliance with the Pilot BYE because the planting requirements were not met. Insured A's policy was voided according to paragraph 52. The AIP determines that Insured B shares in the corn crop with Insured A. Insured B has the same acreage insured under a separate policy with the same AIP as Insured A; however, Insured B has a different unit structure than Insured A.</p> <p>Because it is the same acreage and the planting requirements were not met on the acreage, Insured B is ineligible for the Pilot BYE premium rate reduction. The AIP shall void Insured B's policy.</p> <p>If the other insured(s) has more or less acreage than the acreage determined out of compliance, and the other insured(s) indicated their acreage was eligible for the Pilot BYE premium rate reduction, then the AIP must spot-check the other insured(s) according to Section 1.</p> <p>Example: Insured A's policy was randomly selected for spot-check and unit 00100 was determined out of compliance with the Pilot BYE because the planting requirements were not met. Insured A's policy was voided according to paragraph 52. The AIP determines that Insured B shares in the corn crop with Insured A. Insured B has a separate policy with the same AIP as Insured A; however, Insured B has more corn acreage insured under his unit than Insured A. Therefore, the AIP must spot-check Insured B's policy to determine whether Insured B is in compliance with the Pilot BYE.</p>

53 Other Insureds with a Share in Acreage Determined Out of Compliance (continued)

If the other insured(s) is insured by ...	Then ...
a different AIP	<p>the AIP must contact the other AIP and inform them of the spot-check findings for the unit(s) determined ineligible for the Pilot BYE premium rate reduction.</p> <p>The AIPs must work together to determine whether the acreage insured by the other insured(s) is the same acreage that was determined out of compliance.</p> <p>If it is the same acreage, the other insured(s) are ineligible for the Pilot BYE premium rate reduction.</p> <p>If the other insured(s) has more or less acreage than the acreage determined out of compliance, and the other insured(s) indicated their acreage was eligible for the Pilot BYE premium rate reduction, then the AIP must spot-check the other insured(s) according to Section 1.</p>

When an AIP spot-checks a policy because the insured had a share in some or all of the acreage of a unit that was determined ineligible, the AIP may count that policy as part of the 3 percent or 5 percent, as applicable, required spot-checks.

Acronyms

The following table provides approved abbreviations used in this handbook.

Approved Acronyms	Term
AIP	Approved Insurance Provider
APH	Actual Production History
BYE	Biotech Yield Endorsement
CRC	Crop Revenue Coverage
DSSH	Document and Supplemental Standards Handbook
RA	Revenue Assurance

Definitions

The following are definitions of terms used in this handbook.

Eligible Policy and Plan of Insurance means an APH, CRC, or RA plan of insurance that provides coverage for non-irrigated corn for grain, unless the policy has a Catastrophic Risk Protection Endorsement. Any successor plans to APH, CRC, or RA plans of insurance shall be an eligible plan of insurance. No other policies or plans of insurance are eligible. Any policy with a Catastrophic Risk Protection Endorsement is NOT an eligible policy.

Pilot Area means all counties in Illinois, Indiana, Iowa and Minnesota in which an eligible policy and plan of insurance is offered.

Qualifying Hybrid means a corn hybrid that contains a combination of the following three proprietary biotech traits developed and licensed by the Monsanto Company: YieldGard[®] Corn Borer, YieldGard[®] Rootworm, and Roundup Ready[®] Corn 2.

Example of BYE Insured’s Certification Statement

The following is provided as an example only. The AIP must develop a BYE Insured’s Certification Statement in accordance with paragraph 12.

**BIOTECH YIELD ENDORSEMENT
INSURED’S CERTIFICATION STATEMENT**

Insured’s Name (Print): _____ Crop Year: _____

Insured’s Policy Number: _____ State: _____ County: _____

By signing below, I certify to all of the following:

1. I have received a copy of the Pilot Biotech Yield Endorsement (BYE), and I am in compliance with all of its terms and conditions, including but not limited to, that at least 75 percent of the total insured corn acreage planted, including any replanted acreage, in the unit(s) (basic, optional, enterprise or whole farm, as applicable) I identified on my acreage report as eligible for the Pilot BYE is non-irrigated corn for grain planted to a qualifying hybrid.
2. I have reviewed the accompanying BYE Seed Dealer Certification Statement(s) and the copies of the seed invoices attached thereto and believe they are true and correct. Additionally, I authorize the seed dealer listed on those documents to disclose all purchase and return invoices for all corn seed that was purchased or returned by me or someone else on my behalf.
3. I understand that failure to comply with all terms and conditions of the Pilot BYE on ANY unit I reported as eligible for the Pilot BYE premium rate reduction, or any false or fraudulent certifications under the Pilot BYE made by me or someone else on my behalf, shall result in my policy being voided. I also understand that even though my policy is voided I may still be required to pay 20 percent of the premium due under the policy, and I may be subject to administrative, civil or criminal sanctions (18 U.S.C. §1006 and §1014; 7 U.S.C. §1506; 31 U.S.C. §3729, §3730 and any other applicable federal statutes).
4. I am aware of the U.S. Environmental Protection Agency refuge requirements and I understand the Pilot BYE in no way modifies my responsibility to abide by those requirements.

Insured’s Signature and Date

Collection of Information and Data (Privacy Act) Statement
Nondiscrimination Statement

Example of BYE Insured's Certification Statement (Continued)

The following are descriptions of the BYE Insured's Certification Statement required elements. See paragraph 12 for the required elements.

Required Element	Description
Insured's Name	Full name of the insured.
Insured's Policy Number	Policy number of the insured.
State	State for which the insured's policy number was issued.
County	County for which the insured's policy number was issued.
Crop Year	Crop year in which the eligible non-irrigated corn was planted.
Certification language	See subparagraph 12A for the required certification language.
Insured's Signature and Date	Signature of the insured and the date the insured signed the BYE Insured's Certification Statement.

Example of BYE Seed Dealer Certification Statement

BIOTECH YIELD ENDORSEMENT SEED DEALER CERTIFICATION STATEMENT

1A. Seed Dealer's Name: ABC Farm Supply Company 1B. Address: 123 Way Street, Anywhere USA 99999 1C. Phone: (999) 999-9999
 2A. Seed Purchaser's Name: Tenant C 2B. Seed Purchaser's Phone: (999) 999-9999
 3. Crop Year: 2008 4. Total (net) Number of Units of Qualifying Hybrid** Corn Seed Purchased: 500

5A. Insured/Producer Name	5B. Insured's Policy Number	5C. Monsanto Technology Stewardship Agreement Number	5D. State/County of Crop	5E. Seed Company	5F. Seed Hybrid	5G. Number of Units of Seed*
Tenant C (tenant of Landlord D and Landlord E)	xx-yyy-zzzzzzz	YYYYYYYY	IL/Ford	Seed Company A	Hybrid AAA	300
Landlord D (landlord of Tenant C)	xx-yyy-zzzzzzz	YYYYYYYY	IL/Ford	Seed Company A	Hybrid AAA	100
Landlord E (landlord of Tenant C)	xx-yyy-zzzzzzz	YYYYYYYY	IL/Ford	Seed Company A	Hybrid AAA	100
						Total: 500

* A unit of seed equals 80,000 kernels. Most qualifying hybrid seed is sold in a bag that contains 80,000 kernels (1 unit). However, qualifying hybrid seed may also be sold in a mini bulk unit that normally contains 4 million kernels (50 units). In rare situations, a bag of qualifying hybrid seed may contain only 40,000 kernels (0.5 units).

** Qualifying hybrid means a corn hybrid that contains the following three proprietary biotech traits developed and licensed by the Monsanto Company: YieldGard® Corn Borer, YieldGard® Rootworm, and Roundup Ready® Corn 2. A list of qualifying hybrid corn seed may be obtained at www.biotechyieldendorsement.com.

Each insured listed above is responsible for providing their Approved Insurance Provider(s) a copy of (1) this BYE Seed Dealer Certification Statement; and (2) purchase and return seed invoices that substantiate the information provided above. This information may be used as part of a spot-check or review to verify compliance with the Pilot BYE terms and conditions.

6. By signing below, I certify to all of the following:

- A. I am an employee/owner of the seed dealer named in Item 1A.
- B. The total number of units of qualifying hybrid corn seed in Item 4 was provided to the purchaser in Item 2A for the crop year in Item 3, and is the total net (amount purchased minus amount returned) provided to the purchaser for the crop year.
- C. All of the units in Item 4 are corn hybrids which contain a combination of ALL three of the following proprietary biotech traits developed and licensed by the Monsanto Company: YieldGard® Corn Borer, YieldGard® Rootworm, and Roundup Ready® Corn 2.

I.M. Seed Dealer
SEED DEALER EMPLOYEE/OWNER NAME (PRINT)

/s/ I.M. Seed Dealer
SEED DEALER EMPLOYEE/OWNER SIGNATURE

05/01/2008
DATE

Collection of Information and Data (Privacy Act) Statement and Nondiscrimination Statement

Example of BYE Seed Dealer Certification Statement (continued)

Only purchases of qualifying hybrid corn seed shall be recorded on the Biotech Yield Endorsement Seed Dealer Certification Statement. Do not include purchases of any other corn seed.

Qualifying hybrid corn seed is a corn hybrid that contains ALL three of the following proprietary biotech traits developed and licensed by the Monsanto Company: YieldGard® Corn Borer, YieldGard® Rootworm, and Roundup Ready® Corn 2. These combinations are marketed under the trade names of “YieldGard® Plus with Roundup Ready® Corn 2” and “YieldGard VT Triple™.”

Each insured on the BYE Seed Dealer Certification Statement that is eligible for, and wishes to obtain, the Pilot BYE premium rate reduction is responsible for both of the following:

- ensuring the accuracy of their information entered in Item 5
- providing their AIP(s) a copy of both the following on or before the acreage reporting date:
 - a completed, signed and dated BYE Seed Dealer Certification Statement(s)
 - purchase and return seed invoices that substantiate the information provided on the BYE Seed Dealer Certification Statement.

The following are descriptions of the BYE Seed Dealer Certification Statement required elements. See paragraph 12 for the required elements.

Required Element	Description	Item No. in Example
1A. Seed Dealer’s Name:	Name of the seed dealer from which the qualifying hybrid corn seed was purchased.	1A
1B. Address:	Address of the seed dealer from which the qualifying hybrid corn seed was purchased.	1B
1C. Phone:	Phone number of the seed dealer from which the qualifying hybrid corn seed was purchased.	1C

Example of BYE Seed Dealer Certification Statement (continued)

Required Element	Description	Item No. in Example
2A. Seed Purchaser's Name:	Name of the person who purchased the qualifying hybrid corn seed. The person must also be listed in item 5A with all other growers who use all or part of the qualifying hybrid corn seed purchased.	2A
2B. Seed Purchaser's Phone:	Phone number of the person who purchased the qualifying hybrid corn seed.	2B
3. Crop Year	The crop year for which the qualifying hybrid corn seed was purchased.	3
4. Total (net) Number of Units of Qualifying Hybrid** Corn Seed Purchased:	The total net (amount purchased minus amount returned) number of units of qualifying hybrid corn seed purchased by the seed purchaser for the crop year. A unit of seed equals 80,000 kernels. Most qualifying hybrid seed is sold in a bag that contains 80,000 kernels (1 unit). However, qualifying hybrid seed may also be sold in a mini bulk unit that normally contains 4 million kernels (50 units). In rare situations, a bag of qualifying hybrid seed may contain only 40,000 kernels (0.5 units). A list of qualifying hybrids is available at www.biotechyieldendorsement.com .	4

Example of BYE Seed Dealer Certification Statement (continued)

Required Element	Description	Item No. in Example
<p>5A. Insured/Producer Name</p>	<p>Name of each insured/producer who will have a share in the crop planted with the qualifying hybrid corn seed purchased.</p> <p>The insured/producer’s name must be entered by policy number, if applicable, and seed hybrid.</p> <p>Example: Insured A is insured in Champaign and Ford County, Illinois, with two separate policies (one in each county). Insured A receives one hybrid of qualifying hybrid corn seed for planting in Champaign County, and two different hybrids for planting in Ford County. Insured A would be entered 3 times in Item 5A (once for the policy and hybrid in Champaign County and twice for the policy and two different hybrids in Ford County).</p> <p>Insureds/producers that will share in the crop planted with any of the qualifying hybrids, such as landlords that receive a share of the crop, must be entered in item 5A.</p> <p>Example: Landlord A share rents her land to Tenant B. Tenant B purchases qualifying hybrids and plants them on the land share rented with Landlord A. Landlord A never received any of the qualifying hybrids purchased, but she will share in the crop planted with the qualifying hybrids. Landlord A insured her share of the non-irrigated corn for grain planted to the qualifying hybrids and wishes to obtain the Pilot BYE premium rate reduction. Landlord A and tenant B must both be entered in item 5A indicating their share relationship (see paragraph 13 for examples). See item 5G and paragraph 13 to determine the number of qualifying hybrid units to be entered for Landlord A and Tenant B.</p> <p>Each grower who received any of the qualifying hybrid corn seed in Item 4 must be entered in item 5A, regardless of whether or not they have a crop insurance policy.</p>	<p>5A</p>

Example of BYE Seed Dealer Certification Statement (continued)

Required Element	Description	Item No. in Example
5B. Insured's Policy Number	<p>If the person entered in Item 5A is:</p> <ul style="list-style-type: none"> • insured, enter the policy number of the insured. If the insured has more than one policy number under which qualifying hybrid corn seed will be planted, enter each policy number on a separate line, by seed hybrid. Policy numbers must be listed in xx-yyy-zzzzzzz format, with xx = State code; yyy = County code; zzzzzzz = policy number. <p>Example: Insured A is insured in Champaign and Ford County, Illinois, with two separate policies (one in each county), and he received qualifying hybrid corn seed to plant under each policy. Each of Insured A's policy numbers must be entered in Item 5B, by the seed hybrid received.</p> <ul style="list-style-type: none"> • NOT insured, enter "Not Insured". <p>Example: Producer B (a landlord) will receive a share of the crop planted with the qualifying hybrids but does not insure his share of the crop. Producer B will have an interest in the qualifying hybrids purchased; therefore, Producer B must be entered in item 5A. However, because he does not have a crop insurance policy, "Not Insured" is entered in item 5B for Producer B.</p>	5B
5C. Monsanto Technology Stewardship Agreement Number	Monsanto Technology Stewardship Agreement Number of the person who purchased the qualifying hybrid seed used to qualify for the Pilot BYE.	5C
5D. State/County of Crop	The State and county where the qualifying hybrid corn seed was/will be planted.	5D

Example of BYE Seed Dealer Certification Statement (continued)

Required Element	Description	Item No. in Example
5E. Seed Company	The name of the seed company of the qualifying hybrid corn seed received by the insured/producer. If the insured received seed produced by different companies, each company must be entered separately.	5E
5F. Seed Hybrid	The name of the seed hybrid received by the insured/producer. If the insured/producer received multiple seed hybrids, each hybrid must be entered separately. A list of qualifying hybrids is available at www.biotechyieldendorsement.com .	5F
5G. Number of Units of Seed*	The number of units of the seed hybrid the insured/producer received. One unit equals 80,000 kernels of seed. When an insured/producer does not actually receive or purchase the qualifying hybrid seed, but will share in the crop planted with the qualifying hybrid seed, such as a landlord, each person's share of the total number of units of qualifying hybrid seed purchased must be entered in item 5G. The share division of the total units of qualifying hybrid seed must be the same as the share division of the crop, as provided on the acreage report (see paragraph 13 for examples). Sum the number of units entered for all insureds/producers and enter the total at the bottom of column 5G. The total must equal the amount entered in Item 4.	5G
Informational and Certification Language	See subparagraph 12B for the required informational and certification language.	6A, B and C
Seed Dealer Employee/Owner Name (Print)	Printed name of the employee or owner of the seed dealer who will sign the BYE Seed Dealer Certification Statement.	
Seed Dealer Employee/Owner Signature	Signature of the employee or owner of the seed dealer.	
Date	Date the employee or owner of the seed dealer signed the BYE Seed Dealer Certification Statement.	