

11. Duties In The Event of Damage or Loss

In addition to the requirements of section 14 (Duties in the Event of Damage or Loss) of the Basic Provisions (§ 457.8), you must give us notice:

(a) Not later than 48 hours after:

(1) Total destruction of the green peas on the unit; or

(2) Discontinuance of harvest on a unit.

(b) Within 3 days of the date harvest should have started on any acreage that will not be harvested and document why the acreage was bypassed. Failure to provide such information will result in our determination that the acreage was bypassed due to an uninsured cause of loss. If the crop will not be harvested and you wish to destroy the crop, you must leave representative samples of the unharvested crop for our inspection. The samples must be at least 10 feet wide and extend the entire length of each field in each unit and must not be destroyed until the earlier of our inspection or 15 days after notice is given to us;

(c) At least 15 days prior to the beginning of harvest if you intend to claim an indemnity on any unit or immediately if damage is discovered during harvest so that we may inspect any damaged production. If you fail to notify us and such failure results in our inability to inspect the damaged production, we will consider all such production to be undamaged and include it as production to count. You do not have to delay harvest if notification is timely given; and

(d) Prior to the time the green peas would normally be harvested if you want to harvest green peas as dry peas.

12. Settlement of Claim

(a) We will determine your loss on a unit basis. In the event you are unable to provide separate acceptable production records:

(1) For any optional units, we will combine all optional units for which such production records were not provided; or

(2) For any basic units, we will allocate any commingled production to such units in proportion to our liability on the harvested acreage for the units.

(b) In the event of loss or damage covered by this policy, we will settle your claim by:

(1) Multiplying the insured acreage by its respective production guarantee, by type if applicable;

(2) Multiplying each result in section 12(b)(1) by the respective price election, by type if applicable;

(3) Totaling the results in section 12(b)(2);

(4) Multiplying the total production to be counted of each type, if applicable, (see section 12(c)) by the respective price election;

(5) Totaling the results in section 12(b)(4);

(6) Subtracting the results in section 12(b)(5) from the results in section 12(b)(3); and

(7) Multiplying the result in section 12(b)(6) by your share.

(c) The total production to count, specified in pounds, from all insurable acreage on the unit will include:

(1) All appraised production as follows:

(i) Not less than the production guarantee for acreage:

(A) That is abandoned;

(B) That is put to another use without our consent;

(C) That is damaged solely by uninsured causes;

(D) For which you fail to provide production records that are acceptable to us; or

(E) That is bypassed unless the acreage was bypassed due to a cause of loss stated in section 10(a).

(ii) Production lost due to uninsured causes;

(iii) Potential production on insured acreage that you intend to put to another use or abandon, if you and we agree on the appraised amount of production. Upon such agreement, the insurance period for that acreage will end when you put the acreage to another use or abandon the crop. If agreement on the appraised amount of production is not reached:

(A) If you do not elect to continue to care for the crop, we may give you consent to put the acreage to another use if you agree to leave intact, and provide sufficient care for, representative samples of the crop in locations acceptable to us (The amount of production to count for such acreage will be based on the harvested production or appraisals from the samples at the time harvest should have occurred. If you do not leave the required samples intact, or fail to provide sufficient care for the samples, our appraisal made prior to giving you consent to put the acreage to another use will be used to determine the amount of production to count); or

(B) If you elect to continue to care for the crop, the amount of production to count for the acreage will be the harvested production, or our reappraisal if additional damage occurs and the crop is not harvested;

(2) All harvested green pea production from the insurable acreage. The amount of such production will be determined by dividing the dollar amount as required by the contract for the quality and quantity of the peas delivered to the processor by the base contract price per pound; and

(3) All dry pea production from the insurable acreage if we have given consent for any acreage to be harvested as dry peas. The harvested or appraised dry pea production will be multiplied by 1.667 for shell types and 3.000 for pod types to determine the green pea production equivalent. No adjustment for quality deficiencies will be allowed for such production.

(d) If any acreage is not timely harvested due to an uninsured cause of loss but is later harvested, the production to count will be the greater of:

(1) The harvested amount of production with no adjustment for quality; or

(2) The amount determined by dividing the dollar amount as required by the contract for the quality and quantity of the peas delivered to the processor by the base contract price per pound.

13. Late Planting

Late planting provisions are not applicable to green peas.

14. Written Agreement

Designated terms of this policy may be altered by written agreement in accordance with the following:

(a) You must apply in writing for each written agreement no later than the sales closing date, except as provided in section 14(e);

(b) The application for a written agreement must contain all variable terms of the contract between you and us that will be in effect if the written agreement is not approved;

(c) If approved, the written agreement will include all variable terms of the contract, including, but not limited to, crop type or variety, the guarantee, premium rate, and price election;

(d) Each written agreement will only be valid for one year (If the written agreement is not specifically renewed the following year, insurance coverage for subsequent crop years will be in accordance with the printed policy); and

(e) An application for written agreement submitted after the sales closing date may be approved if, after a physical inspection of the acreage, it is determined that no loss has occurred and the crop is insurable in accordance with the policy and written agreement provisions.

Signed in Washington, D.C., on April 25, 1997.

Kenneth D. Ackerman,

Manager, Federal Crop Insurance Corporation.

[FR Doc. 97-11255 Filed 4-30-97; 8:45 am]

BILLING CODE 3410-FA-P

DEPARTMENT OF AGRICULTURE**Federal Crop Insurance Corporation****7 CFR Parts 425 and 457****Peanut Crop Insurance Regulations; and Common Crop Insurance Regulations, Peanut Crop Insurance Provisions**

AGENCY: Federal Crop Insurance Corporation, USDA.

ACTION: Proposed rule.

SUMMARY: The Federal Crop Insurance Corporation (FCIC) proposes specific crop provisions for the insurance of peanuts. The provisions will be used in conjunction with the Common Crop Insurance Policy Basic Provisions, which contain standard terms and conditions common to most crops. The intended effect of this action is to provide policy changes to better meet the needs of the insured, include the current peanut crop insurance regulations with the Common Crop Insurance Policy for ease of use and consistency of terms, and restrict the effect of the current peanut crop insurance regulations to the 1997 and prior crop years.

DATES: Written comments on this proposed rule will be accepted until close of business June 2, 1997 and will be considered when the rule is to be made final.

ADDRESSES: Interested persons are invited to submit written comments to the Director, Product Development Division, Federal Crop Insurance Corporation, United States Department of Agriculture, 9435 Holmes Road, Kansas City, MO 64131.

FOR FURTHER INFORMATION CONTACT: Gary Johnson, Insurance Management Specialist, Research and Development Division, Product Development Division, Federal Crop Insurance Corporation, at the Kansas City, MO, address listed above, telephone (816) 926-7730.

SUPPLEMENTARY INFORMATION:

Executive Order No. 12866

The Office of Management and Budget (OMB) has determined this rule to be exempt for the purpose of Executive Order No. 12866 and, therefore, this rule has not been reviewed by OMB.

Paperwork Reduction Act of 1995

The amendments set forth in this proposed rule contain information collections that require clearance by OMB under the provisions of 44 U.S.C. chapter 35.

The title of this information collection is "Catastrophic Risk Protection Plan and Related Requirements including, Common Crop Insurance Regulations; Peanut Crop Insurance Provisions." The information to be collected includes a crop insurance application and an acreage report. Information collected from the application and acreage report is electronically submitted to FCIC by the reinsured companies. Potential respondents to this information collection are producers of peanuts that are eligible for Federal crop insurance.

The information requested is necessary for the insurance company and FCIC to provide insurance and reinsurance, determine eligibility, determine the correct parties to the agreement or contract, determine and collect premiums or other monetary amounts, and pay benefits.

All information is reported annually. The reporting burden for this collection of information is estimated to average 16.9 minutes per response for each of the 3.6 responses from approximately 1,755,015 respondents. The total annual burden on the public for this information collection is 2,676,932 hours.

FCIC is requesting comments on the following: (a) whether the proposed

collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information gathering technology.

Comments regarding paperwork reduction should be submitted to the Desk Officer for Agriculture, Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, D.C. 20503.

OMB is required to make a decision concerning the collections of information contained in these proposed regulations between 30 and 60 days after submission to OMB. Therefore, a comment to OMB is best assured of having full effect if OMB receives it within 30 days of publication. This does not affect the deadline for the public to comment on the proposed regulation.

Unfunded Mandates Reform Act of 1995

Title II of the Unfunded Mandates Reform Act of 1995 (UMRA), Public Law 104-4, establishes requirements for Federal agencies to assess the effects of their regulatory actions on State, local, and tribal governments and the private sector. This rule contains no Federal mandates (under the regulatory provisions of title II of the UMRA) for State, local, and tribal governments or the private sector. Thus, this rule is not subject to the requirements of sections 202 and 205 of the UMRA.

Executive Order No. 12612

It has been determined under section 6(a) of Executive Order No. 12612, Federalism, that this rule does not have sufficient federalism implication to warrant the preparation of a Federalism Assessment. The provisions contained in this rule will not have a substantial direct effect on states or their political subdivisions, or on the distribution of power and responsibilities among the various levels of government.

Regulatory Flexibility Act

This regulation will not have a significant impact on a substantial number of small entities. New provisions included in this rule will not impact small entities to a greater extent than large entities. Under the current

regulations, a producer is required to complete an application and acreage report. If the crop is damaged or destroyed, the insured is required to give notice of loss and provide the necessary information to complete a claim for indemnity. The insured must also annually certify to the previous years production if adequate records are available to support the certification. The producer must maintain the production records to support the certified information for at least three years. This regulation does not alter those requirements. The amount of work required of the insurance companies delivering and servicing these policies will not increase significantly from the amount of work currently required. This rule does not have any greater or lesser impact on the producer. Therefore, this action is determined to be exempt from the provisions of the Regulatory Flexibility Act (5 U.S.C. 605), and no Regulatory Flexibility Analysis was prepared.

Federal Assistance Program

This program is listed in the Catalog of Federal Domestic Assistance under No. 10.450.

Executive Order No. 12372

This program is not subject to the provisions of Executive Order No. 12372, which require intergovernmental consultation with State and local officials. See the Notice related to 7 CFR part 3015, subpart V, published at 48 FR 29115, June 24, 1983.

Executive Order No. 12988

This proposed rule has been reviewed under Executive Order 12988. The provisions of this rule will not have a retroactive effect prior to the effective date. The provisions of this rule will preempt State and local laws to the extent such State and local laws are inconsistent herewith. The administrative appeal provisions published at 7 CFR part 11 must be exhausted before any action for judicial review may be brought.

Environmental Evaluation

This action is not expected to have a significant impact on the quality of the human environment, health, and safety. Therefore, neither an Environmental Assessment nor an Environmental Impact Statement is needed.

National Performance Review

This regulatory action is being taken as part of the National Performance Review Initiative to eliminate unnecessary or duplicative regulations and improve those that remain in force.

Background

FCIC proposes to add to the Common Crop Insurance Regulations (7 CFR part 457), a new section, 7 CFR 457.134, Peanut Crop Insurance Provisions. The new provisions will be effective for the 1998 and succeeding crop years. These provisions will replace and supersede the current provisions for insuring peanuts found at 7 CFR part 425 (Peanut Crop Insurance Regulations). FCIC also proposes to amend 7 CFR part 425 to limit its effect to the 1997 and prior crop years.

This rule makes minor editorial and format changes to improve the Peanut Crop Insurance Regulations compatibility with the Common Crop Insurance Policy. In addition, FCIC is proposing substantive changes in the provisions for insuring peanuts as follows:

1. Section 1—Add definitions for “CCC”, “farmer’s stock peanuts,” “final planting date,” “FSA,” “good farming practices,” “green peanuts,” “Inspection Certificate and Sales Memorandum,” “interplanted,” “irrigated practice,” “non-quota peanuts,” “planted acreage,” “practical to replant,” “production guarantee (per acre),” “quota peanuts,” “Segregation I, II, and III,” “timely planted,” “USDA,” and “written agreement,” for clarification purposes. Amend the definition of “county” contained in the Basic Provisions (§ 457.8) to include any land identified by an FSA farm serial number for such county but physically located in another county.

2. Section 2—Define basic units in which the insured has 100 percent share or which are owned by one person and operated by another specific person on a share basis; and for optional units by FSA Farm Serial Number. Current provisions define basic units by FSA Farm Serial Number. This change is consistent with provisions of other crop policies, and will increase premium cost for some producers.

3. Section 3(a)—Clarify that the insured may select one price election for quota peanuts and non-quota peanuts; however, the price election the insured chooses must have the same relationship to the maximum price offered by the insurance provider. This will help simplify the administration of the program.

4. Section 3(b)—Limit the use of the quota price election to the lesser of the insured effective poundage marketing quota or the insured acreage multiplied by the production guarantee. If the insured acres multiplied by the production guarantee exceeds the insured effective poundage marketing

quota, the difference will be insured at the non-quota peanut price election.

5. Section 3(c)—Allows the use of actual production history to determine the yield for insurance purposes. Guarantees are based on production records and not necessarily on sales or quota records. In some instances the yields may be the same. Therefore, the proper use for yield under the program is the insured’s records of production.

6. Section 4—The contract change date has been changed to November 30 for all counties to maintain an adequate time period between this date and the revised cancellation dates.

7. Section 5—All cancellation and termination dates have been moved 30 days earlier than currently established by 7 CFR part 425. In most crop policies, including peanuts, the cancellation and termination date correspond to the sales closing date. This change is necessary to conform with the requirement of the Federal Crop Insurance Reform Act of 1994 to move spring planted crop sales closing dates 30 days earlier.

8. Section 7—Clarify the method used to determine the annual premium for peanuts.

9. Section 8(d)—Clarify that peanuts intended to be harvested for use as green peanuts are not insurable.

10. Section 9(a)(1)—Acreage grown using no-till or minimum tillage farming methods is uninsurable unless allowed by a written agreement. Although no-till and minimum tillage farming methods are recognized as acceptable farming practices by the Cooperative State Research, Education and Extension Service for other annual crops, the methods are not acceptable for growing peanuts. The methods delay peanuts from maturing on time resulting in a yield that is less than the yield used to determine the production guarantee.

11. Section 10—The end of insurance period has been changed from November 30 to December 31 in Duval and LaSalle counties, Texas. This change makes the date consistent in all Texas counties.

12. Section 11—Clarify that insufficient or improper application of pest or disease control measures are not an insured cause of loss.

13. Section 12(b)—Clarify the maximum replanting payment amount for peanuts.

14. Section 14(c)—Clarify how the settlement of a claim will be determined on any unit when the producer has both quota and non-quota peanuts.

15. Section 15—Add provisions for providing insurance coverage by written agreement. FCIC has a long standing policy of permitting certain

modifications of the insurance contract by written agreement for some policies. This amendment will extend this practice to peanuts and will allow FCIC to tailor the policy to a specific insured in certain instances. The new section will cover the application for, and duration of, written agreements.

Good cause is shown to allow 30 days for comments after this rule is published in the **Federal Register**. This rule improves peanut crop insurance coverage and brings it under the Common Crop Insurance Policy Provisions for consistency among policies. Although, the contract change date is December 31, 1997, the final rule must be published by July 7, 1997. Publication is required by this date to achieve revision and timely distribution of the actuarial documents thereby allowing the reinsured companies and insureds sufficient time to implement the new provisions. Therefore, public interest requires the agency to act immediately to make these provisions available for the 1998 crop year.

List of Subjects in 7 CFR Parts 425 and 457

Crop insurance, Reporting and recordkeeping requirements, Peanuts.

Proposed Rule

Accordingly, for the reasons set forth in the preamble, the Federal Crop Insurance Corporation hereby proposes to amend 7 CFR parts 425 and 457, as follows:

PART 425—PEANUT CROP INSURANCE REGULATIONS FOR THE 1993 THROUGH 1997 CROP YEARS

1. The authority citation for 7 CFR part 425 is revised to read as follows:

Authority: 7 U.S.C. 1506(1), 1506(p).

2. The part heading is revised to read as set forth above.

3. Subpart heading “Subpart—Regulations for the 1993 and Succeeding Crop Years” is removed.

§ 425.7 [Amended]

4. Section 425.7 is amended by revising the introductory text of paragraph (d) to read as follows:

* * * * *

(d) The application for the 1993 and succeeding crop years is found at subpart D of part 400—General Administrative Regulations (7 CFR 400.37, 400.38). The provisions of the Peanut Insurance Policy for the 1993 through 1997 crop years are as follows:

* * * * *

PART 457—COMMON CROP INSURANCE REGULATIONS; REGULATIONS FOR THE 1994 AND SUBSEQUENT CONTRACT YEARS

4. The authority citation for 7 CFR part 457 continues to read as follows:

Authority: 7 U.S.C. 1506(1), 1506(p).

5. Section 457.134 is added to read as follows:

§ 457.134 Peanut crop insurance provisions.

The Peanut Crop Insurance Provisions for the 1998 and succeeding crop years are as follows:

FCIC policies:

DEPARTMENT OF AGRICULTURE

Federal Crop Insurance Corporation

Reinsured policies:

(Appropriate title for insurance provider)

Both FCIC and reinsured policies:

Peanut Crop Provisions

If a conflict exists among the Basic Provisions (§ 457.8), these crop provisions, and the Special Provisions; the Special Provisions will control these crop provisions and the Basic Provisions; and these crop provisions will control the Basic Provisions.

1. Definitions.

Average price per pound:

(1) The average CCC support price per pound, by type, for Segregation I peanuts and Segregation II and III peanuts eligible to be valued and insured as quota peanuts; or

(2) The highest non-quota price election contained in the Special Provisions for all non-quota and Segregation II and III peanuts not eligible to be valued and insured as quota peanuts.

Average support price per pound. The average price per pound for each type of quota peanuts announced by the USDA under the peanut price support program.

CCC. Commodity Credit Corporation, a wholly owned government corporation within USDA.

County. In addition to the definition contained in the Basic Provisions (§ 457.8), "county" also includes any land identified by an FSA farm serial number for such county but physically located in another county.

Days. Calendar days.

Effective poundage marketing quota. The number of pounds reported on the acreage report as eligible for the average support price per pound, not to exceed the Marketing Quota established by FSA for the farm serial number.

Farmers' stock peanuts. Peanuts customarily marketed by producers, produced in the United States, and which are not shelled, crushed, cleaned, or otherwise changed (except for removal of foreign material, loose shelled kernels, and excess moisture) from the condition in which peanuts are harvested.

Final planting date. The date contained in the Special Provisions for the insured crop by which the crop must initially be planted in

order to be insured for the full production guarantee.

FSA. Farm Service Agency, an agency of USDA or a successor agency.

Good farming practices. The cultural practices generally in use in the county for the crop to make normal progress toward maturity and produce at least the yield used to determine the production guarantee, and are those recognized by the Cooperative State Research, Education, and Extension Service as compatible with agronomic and weather conditions in the county.

Green peanuts. Peanuts that are harvested and marketed prior to maturity without drying or removal of moisture either by natural or artificial means. They are marketed for human consumption exclusively as boiled peanuts (freshly dug, unshelled peanuts that have been boiled in salt water).

Harvest. Combining or threshing of peanuts. Digging of peanuts prior to combining or threshing is not considered harvesting.

Inspection Certificate and Sales Memorandum. A USDA form that records the inspection grading results and marketing record for the net weight of peanuts delivered to a buyer.

Interplanted. Acreage on which two or more crops are planted in a manner that does not permit separate agronomic maintenance or harvest of the insured crop.

Irrigated practice. A method of producing a crop by which water is artificially applied during the growing season by appropriate systems and at the proper times, with the intention of providing the quantity of water needed to produce at least the yield used to establish the irrigated production guarantee on the irrigated acreage planted to the insured crop.

Non-quota peanuts. Peanuts other than quota peanuts.

Planted acreage. Land in which seed has been placed by a machine appropriate for the insured crop and planting method, at the correct depth, into a seedbed that has been properly prepared for the planting method and production practice. Peanuts must initially be planted in rows wide enough to permit mechanical cultivation. Acreage planted in any other manner will not be insurable unless otherwise provided by the Special Provisions or by written agreement.

Practical to replant. In lieu of the definition of "Practical to replant" contained in section 1 of the Basic Provisions (§ 457.8), practical to replant is defined as our determination, after loss or damage to the insured crop, based on factors, including but not limited to moisture availability, condition of the field, time to crop maturity, and marketing window, that replanting the insured crop will allow the crop to attain maturity prior to the calendar date for the end of the insurance period. It will not be considered practical to replant after the end of the late planting period unless replanting is generally occurring in the area.

Production guarantee (per acre). The number of pounds determined by multiplying the farm yield per acre by the coverage level percentage you elect.

Quota peanuts. Peanuts that are marketed for domestic edible use, seed, or other related

uses, which are eligible to be valued at the average support price per pound.

Replanting. Performing the cultural practices necessary to replace the peanut seed and then replacing the peanut seed in the insured acreage with the expectation of growing a successful crop.

Segregation I, II, or III. Grades designated and defined for peanuts by the Agricultural Marketing Service of USDA.

Timely planted. Planted on or before the final planting date designated in the Special Provisions for the insured crop in the county.

USDA. The United States Department of Agriculture.

Value per pound. A price determined by USDA as shown on the USDA "Inspection Certificate and Sales Memorandum" or other record accepted by us.

Written agreement. A written document that alters designated terms of this policy in accordance with section 15.

2. Unit Division

(a) Unless limited by the Special Provisions, a unit as defined in section 1 (Definitions) of the Basic Provisions (§ 457.8) (basic unit), may be divided into optional units if, for each optional unit you meet all the conditions of this section or if a written agreement to such division exists.

(b) Basic units may not be divided into optional units on any basis other than as described in this section.

(c) If you do not comply fully with these provisions, we will combine all optional units that are not in compliance with these provisions into the basic unit from which they were formed. We will combine the optional units at any time we discover that you have failed to comply with these provisions. If failure to comply with these provisions is determined to be inadvertent, and the optional units are combined into a basic unit, that portion of the additional premium paid for the optional units that have been combined will be refunded to you.

(d) All optional units you selected for the crop year must be identified on the acreage report for that crop year.

(e) The following requirements must be met for each optional unit:

(1) You must have records, which can be independently verified, or planted acreage and production for each optional unit for at least the last crop year used to determine your production guarantee.

(2) You must plant the crop in a manner that results in a clear and discernable break in the planting pattern at the boundaries of each optional unit;

(3) For each crop year, records of marketed production or measurement of stored production from each optional unit must be maintained in such a manner that permits us to verify the production from each optional unit, or the production from each unit must be kept separate until loss adjustment is completed by us; and

(4) Each optional unit must be located in a separate farm identified by a single FSA Farm Serial Number.

(f) We may reject or modify any FSA reconstitution for the purpose of the unit definition, if we determine the reconstitution was done in whole or in part to defeat the purpose of the Federal crop insurance

program or to gain a disproportionate advantage under this policy.

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

In addition to the requirements of section 3 (Insurance Guarantees, Coverage Levels, and Prices for Determining Indemnities) of the Basic Provisions (§ 457.8):

(a) The price elections you choose for the quota and non-quota peanuts must have the same percentage relationship to the maximum price election offered by us for quota and non-quota peanuts. For example, if you choose 100 percent of the maximum quota peanut price election, you must also choose 100 percent of the maximum non-quota election.

(b) The maximum pounds that may be insured at the quota price election are the lesser of:

(1) The effective poundage marketing quota; or

(2) The insured acreage multiplied by the production guarantee. If the insured acres multiplied by the production guarantee exceeds the effective poundage marketing quota, the difference will be insured at the non-quota peanut price election.

(c) You may be required to file an annual production report to us, if required by the Special Provisions, to establish an approved yield in lieu of the approved yield published in the actuarial table. If we require you to file an annual production report, you must do so in accordance to section 3(c) (Insurance Guarantees, Coverage Levels, and Prices for Determining Indemnities) of the Common Crop Insurance Policy (§ 457.8).

4. Contract Changes

In accordance with section 4 (Contract Changes) of the Basic Provisions (§ 457.8), the contract change date is November 30 preceding the cancellation date.

5. Cancellation and Termination Dates

In accordance with section 2 (Life of Policy, Cancellation, and Termination) of the Basic Provisions (§ 457.8), the cancellation and termination dates are:

Cancellation and Termination

State, County, and Dates

Jackson, Victoria, Golliad, Bee, Live Oak, Mullen, La Salle, and Dimmit Counties, Texas and all Texas Counties lying south thereof.—January 15

El Paso, Hudspeth, Culberson, Reeves, Loving, Winkler, Ector, Upton, Reagan, Sterling, Coke, Tom Green, Concho, McCulloch, San Saba, Mills, Hamilton, Bosque, Johnson, Tarrant, Wise, Cooke Counties, Texas, and all Texas counties south and east thereof; and all other states.—February 28

New Mexico; Oklahoma; and all other Texas counties.—March 15

6. Report of Acreage

In addition to the requirements of section 6 (Report of Acreage) of the Basic Provisions (§ 457.8), you must report the effective poundage marketing quota, if any, that is applicable to each unit for the current crop year.

7. Annual Premium

In lieu of the premium amount determinations contained in section 7(c) (Annual Premium) of the Basic Provisions (§ 457.8), the annual premium will be determined by:

(a) Multiplying the insured effective poundage marketing quota by the price election for quota peanuts;

(b) Multiplying the insured pounds of non-quota peanuts by the price election for non-quota peanuts;

(c) Totaling the results of section 7(a) and 7(b);

(d) Multiplying the total of section 7(c) by the applicable premium rate stated in the actuarial table; and

(e) Multiplying the result of section 7(d) by your share.

8. Insured Crop

In accordance with section 8 (Insured Crop) of the Basic Provisions (§ 457.8), the crop insured will be all the peanuts in the county for which a premium rate is provided by the actuarial table:

(a) In which you have a share;

(b) That are planted for the purpose of marketing as farmers' stock peanuts;

(c) That are a type of peanut designated in the Special Provisions as being insurable; and

(d) That are not (unless allowed by the Special Provisions or by written agreement):

(1) Harvested for use as green peanuts;

(2) Interplanted with another crop; or

(3) Planted into an established grass or legume.

9. Insurable Acreage

In addition to the provisions of section 9 (Insurable Acreage) of the Basic Provisions (§ 457.8):

(a) Any acreage of the insured crop damaged before the final planting date, to the extent that the majority of growers in the area would normally not further care for the crop, must be replanted unless we agree that replanting is not practical.

(b) We will not insure any acreage:

(1) On which peanuts are grown using no-till or minimum tillage farming methods unless a written agreement allows otherwise; or

(2) Which does not meet the rotation requirements contained in the Special Provisions.

10. Insurance Period

(a) In accordance with the provisions of section 11 (Insurance Period) of the Basic Provisions (§ 457.8), the calendar date for the end of the insurance period is the date immediately following planting as follows:

(1) November 30 in all states except New Mexico, Oklahoma, and Texas; and

(2) December 31 in New Mexico, Oklahoma, and Texas.

(b) In addition to the events contained in section 11 (Insurance Period) of the Basic Provisions (§ 457.8) the insurance period ends when the peanuts are removed from the field.

11. Causes of Loss

In accordance with the provisions of section 12 (Causes of Loss) of the Basic

Provisions (§ 457.8), insurance is provided only against the following causes of loss that occur during the insurance period:

(a) Adverse weather conditions;

(b) Fire;

(c) Insects, but not damage due to insufficient or improper application of pest control measures;

(d) Plant disease, but not damage due to insufficient or improper application of disease control measures;

(e) Wildlife;

(f) Earthquake;

(g) Volcanic eruption; or

(h) Failure of the irrigation water supply, if caused by an insured peril that occurs during the insurance period.

12. Replanting Payments

(a) In accordance with section 13 (Replanting Payments) of the Basic Provisions (§ 457.8):

(1) A replanting payment is allowed if the crop is damaged by an insurable cause of loss to the extent that the remaining stand will not produce at least 90 percent of the production guarantee for the acreage and it is practical to replant.

(2) The maximum amount of the replanting payment for the unit will be the lesser of:

(i) Eighty dollars (\$80.00) per acre; or

(ii) The actual cost of replanting per acre multiplied by the number of acres replanted and by your insured share; or

(iii) Twenty-percent of the production guarantee multiplied by your price election, multiplied by the number of acres replanted, multiplied by your insured share.

(b) When peanuts are replanted using a practice that is uninsurable as an original planting, the liability for the unit will be reduced by the amount of the replanting payment. The premium amount will not be reduced.

13. Duties In The Event of Damage or Loss

In accordance with the requirements of section 14 (Duties in the Event of Damage or Loss) of the Basic Provisions (§ 457.8), the representative samples of the unharvested crop must be at least 10 feet wide and extend the entire length of each field in the unit. The samples must not be harvested or destroyed until the earlier of our inspection or 15 days after harvest of the balance of the unit is completed.

14. Settlement of Claim

(a) We will determine your loss on a unit basis. In the event you are unable to provide separate acceptable production records:

(1) For any optional units, we will combine all optional units for which such production records were not provided; or

(2) For any basic units, we will allocate any commingled production to such units in proportion to our liability on the harvested acreage for the units.

(b) When settling your claim, the effective poundage marketing quota for each unit will be limited to the lesser of:

(1) The amount of quota reported on the acreage report; or

(2) The amount of the FSA effective poundage marketing quota minus fall transfers of the FSA effective poundage marketing quota to another FSA Farm Serial Number; or

(3) The amount determined at the final settlement of your claim.

(c) In the event of loss or damage covered by this policy, we will settle your claim by:

(1) Multiplying the insured acreage for the unit by the production guarantee per acre;

(2) Subtract the insured effective poundage marketing quota from the result of section 14(c)(1) to determine the insured non-quota peanuts;

(3) Multiply the insured quota and non-quota peanuts by their respective price election for quota and/or non-quota peanuts;

(4) Total the results of section 14(c)(3);

(5) Multiply the quota and non-quota production to count (see section 14(d)) by their respective price election for quota and/or non-quota peanuts;

(6) Total the results of section 14(c)(5);

(7) Subtract the result of section 14(c)(6) from section 14(c)(4); and

(8) Multiply the result by your share.

(d) The total production to count (in pounds) from all insurable acreage on the unit will include:

(1) All appraised and harvested production.

(2) All appraised production will include:

(i) Not less than the production guarantee for acreage:

(A) That is abandoned;

(B) Put to another use without our consent;

(C) Damaged solely by uninsured causes; or

(D) For which you fail to provide production records that are acceptable to us;

(ii) Production lost due to uninsured causes;

(iii) Unharvested production (mature unharvested production may be adjusted for quality deficiencies and excess moisture in accordance with section 14(e)); and

(iv) Potential production on insured acreage that you intend to put to another use or abandon, if you and we agree on the appraised amount of production. Upon such agreement, the insurance period for that acreage will end when you put the acreage to another use or abandon the crop. If agreement on the appraised amount of production is not reached:

(A) If you do not elect to continue to care for the crop, we may give you consent to put the acreage to another use if you agree to leave intact, and provide sufficient care for, representative samples of the crop in locations acceptable to us, (The amount of production to count for such acreage will be based on the harvested production or appraisals from the samples at the time harvest should have occurred. If you do not leave the required samples intact, or fail to provide sufficient care for the samples, our appraisal made prior to giving you consent to put the acreage to another use will be used to determine the amount of production to count); or

(B) If you elect to continue to care for the crop, the amount of production to count for the acreage will be the harvested production, or our reappraisal if additional damage occurs and the crop is not harvested; and

(3) All harvested production from the insurable acreage.

(e) Mature peanut production that is damaged by insurable causes and for which the value per pound is less than the average

support price per pound for the type will be adjusted by:

(1) Dividing the value per pound for the insured types of peanuts by the applicable average price per pound; and

(2) Multiplying this result by the number of pounds of such production.

(f) To enable us to determine the net weight and quality of production of any peanuts for which a "Inspection Certificate and Sales Memorandum" has not been issued, we must be given the opportunity to have such peanuts inspected and graded before you dispose of them. If you dispose of any production without giving us the opportunity to have the peanuts inspected and graded, the gross weight of such production will be used in determining total production to count unless you submit a marketing record satisfactory to us which clearly shows the net weight and quality of such peanuts.

15. Written Agreements

Designated terms of this policy may be altered by written agreement in accordance with the following:

(a) You must apply in writing for each agreement no later than the sales closing date, except as provided in section 15(e);

(b) The application for a written agreement must contain all variable terms of the contract between you and us that will be in effect if the written agreement is not approved;

(c) If approved by us, the written agreement will include all variable terms of the contract, including, but not limited to, crop type or variety, the guarantee, premium rate, and price election;

(d) Each written agreement will only be valid for one year (If the written agreement is not specifically renewed the following year, insurance coverage for subsequent crop years will be in accordance with the printed policy; and

(e) An application for a written agreement submitted after the sales closing date may be approved if, after a physical inspection of the acreage, it is determined that no loss has occurred and the crop is insurable in accordance with the policy provisions.

Signed in Washington, D.C., on April 25, 1997.

Kenneth D. Ackerman,

Manager, Federal Crop Insurance Corporation.

[FR Doc. 97-11249 Filed 4-30-97; 8:45 am]

BILLING CODE 3410-FA-P

DEPARTMENT OF AGRICULTURE

Federal Crop Insurance Corporation

7 CFR Parts 437 and 457

Sweet Corn Insurance Regulations; and Common Crop Insurance Regulations, Processing Sweet Corn Crop Insurance Provisions

AGENCY: Federal Crop Insurance Corporation, USDA.

ACTION: Proposed rule.

SUMMARY: The Federal Crop Insurance Corporation (FCIC) proposes specific crop provisions for the insurance of processing sweet corn. The provisions will be used in conjunction with the Common Crop Insurance Policy Basic Provisions, which contain standard terms and conditions common to most crops. The intended effect of this action is to provide policy changes to better meet the needs of the insured, include the current sweet corn crop insurance regulations with the Common Crop Insurance Policy for ease of use and consistency of terms, and to restrict the effect of the current sweet corn crop insurance regulations to the 1997 and prior crop year.

DATES: Written comments and opinions on this proposed rule will be accepted until close of business June 2, 1997 and will be considered when the rule is to be made final.

ADDRESSES: Interested persons are invited to submit written comments to the Director, Product Development Division, Federal Crop Insurance Corporation, United States Department of Agriculture, 9435 Holmes Road, Kansas City, MO 64131.

FOR FURTHER INFORMATION CONTACT: Stephen Hoy, Insurance Management Specialist, Research and Development, Product Development Division, Federal Crop Insurance Corporation, at the Kansas City, MO, address listed above, telephone (816) 926-7730.

SUPPLEMENTARY INFORMATION:

Executive Order No.12866

The Office of Management and Budget (OMB) has determined this rule to be exempt for the purposes of Executive Order No. 12866 and, therefore, this rule has not been reviewed by OMB.

Paperwork Reduction Act of 1995

The amendments set forth in this proposed rule contain information collections that require clearance by OMB under the provisions of 44 USC chapter 35.

The title of this information collection is "Catastrophic Risk Protection Plan and Related Requirements including, Common Crop Insurance Regulations; Processing Sweet Corn Crop Insurance Provisions." The information to be collected includes a crop insurance application and an acreage report. Information collected from the application and acreage report is electronically submitted to FCIC by the reinsured companies. Potential respondents to this information collection are producers of sweet corn that are eligible for Federal crop insurance.