

This section of the FEDERAL REGISTER contains documents other than rules or proposed rules that are applicable to the public. Notices of hearings and investigations, committee meetings, agency decisions and rulings, delegations of authority, filing of petitions and applications and agency statements of organization and functions are examples of documents appearing in this section.

DEPARTMENT OF AGRICULTURE

Federal Crop Insurance Corporation

Crop Revenue Coverage

ACTION: Notice of availability.

SUMMARY: In accordance with section 508(h) of the Federal Crop Insurance Act (Act), the Federal Crop Insurance Corporation (FCIC) Board of Directors (Board) approves for reinsurance and subsidy the insurance of cotton, grain sorghum and spring wheat in select states and counties under the Crop Revenue Coverage (CRC) plan of insurance. This notice is intended to inform eligible producers and the private insurance industry of the availability of the CRC plan of insurance for cotton, grain sorghum, and spring wheat and their terms and conditions.

FOR FURTHER INFORMATION CONTACT: Timothy Hoffmann, Director, Product Development Division, Federal Crop Insurance Corporation, United States Department of Agriculture, 9435 Holmes Road, Kansas City, Missouri, 64131, telephone, (816) 926-7387.

SUPPLEMENTARY INFORMATION: Section 508(h) of the Act allows for the submission of a policy to FCIC's Board and authorizes the Board to review and, if the Board finds that the interests of producers are adequately protected and that any premiums charged to the producers are actuarially appropriate, approve the policy for reinsurance and subsidy, in accordance with section 508(e) of the Act.

In accordance with the Act, the Board approved a program of insurance known as CRC, originally submitted by American Agrisure, a managing general agency for Redland Insurance Company.

The CRC program has been approved for reinsurance. CRC is designed to protect producers against both price and yield losses. CRC provides a harvest revenue guarantee that pays losses from

the established yield coverage at a higher price if the harvest time price is higher than the spring price.

The CRC program is available for cotton, grain sorghum and spring wheat for the 1997 crop year in selected states and counties. For the 1996 crop year, the CRC program was available for corn and soybeans in all counties in Iowa and Nebraska and was expanded last fall to include wheat in Kansas, Michigan, Nebraska, South Dakota, Texas, Washington, and select counties in Montana. FCIC herewith gives notice of the availability of the CRC programs of insurance for cotton, grain sorghum and spring wheat for use by private sector insurance companies for the 1997 crop year.

Upon a written request, FCIC will provide the CRC underwriting rules, rate factors and forms for cotton, grain sorghum, and spring wheat. FCIC will also make available the terms and conditions of the CRC reinsurance agreement. Requests for such information should be sent to Timothy Hoffmann, Director, Product Development Division, Federal Crop Insurance Corporation at the above stated address.

Notice: The terms and provisions for the CRC cotton, grain sorghum and spring wheat programs of insurance are as follows.

Crop Revenue Coverage Insurance Policy

(This is a continuous policy for crop year 1997-1998. Refer to section 2)

This policy is reinsured by the Federal Crop Insurance Corporation (FCIC) under the authority of section 508(h) of the Federal Crop Insurance Act, as amended (7 U.S.C. 1508 (h)). The provisions of the policy may not be waived or varied in anyway by the crop insurance agent or any other agent or employee of the Company. In the event we cannot pay your loss, your claim will be settled in accordance with the provisions of this policy and paid by the FCIC. No state guarantee fund will be liable to pay your loss. Throughout this policy, "you" and "your" refer to the named insured shown on the accepted application and "we", "us" and "our" refer to the Company. Unless the context indicates otherwise, use of the plural form of a word includes the singular and use of the singular form of the word includes the plural.

Agreement to Insure: In return for the payment of the premium, and subject to all of the provisions of this policy, we agree with you to provide the insurance as stated in this policy. If a conflict exists between the Basic Provisions contained herein and the specific Crop Provisions, the Crop Provisions will control.

Basic Provisions

Terms And Conditions

1. **Definitions.** As used in this policy these terms are defined as follows:

(a) **Abandon**—Failure to continue providing sufficient care (For example, cultivation, irrigation, fertilization, application of chemicals, etc., consistent with good farming practices) for the insured crop to make normal progress toward harvest or maturity, or failure to harvest in a timely manner if harvest is practicable.

(b) **Acreage report**—A report required by section 6 of these Basic Provisions which contains, in addition to other required information, your report of your share of all acreage of an insured crop in the county whether insurable or not insurable. This report must be filed not later than the final acreage reporting date contained in the Special Provisions for the county for the insured crop.

(c) **Acreage reporting date**—The date (contained in the Special Provisions) by which you are required to submit your acreage reports.

(d) **Another use, notice of**—The written notice required when you wish to put acreage to another use (see section 14 of these Basic Provisions).

(e) **Application**—The form required to be completed by you and accepted by us before insurance coverage will commence. This form must be completed and filed in your agent's office not later than the sales closing date of the initial insurance year for each crop for which insurance coverage is requested. If a break in insurance coverage occurs, a new application must be filed.

(f) **Approved yield**—The average amount of production per acre obtained under the Actual Production History Program (7 CFR part 400, subpart G) using production records of the insured or yields assigned by FCIC. At least four crop years of yields must be averaged to obtain the approved yield.

(g) **Assignment of indemnity**—A transfer of policy rights, made on our

form, and effective when approved by us. It is the arrangement whereby you assign your right to an indemnity payment to any party of your choice for the crop year.

(h) CRC rate—A premium rate, as set forth in the County Actuarial Table, used to calculate the risk associated with producing a level of production.

(i) CRC low price factor—A premium factor, as set forth in the County Actuarial Table, used to calculate the risk associated with a decrease in the Harvest Price relative to the Base Price.

(j) CRC high price factor—A premium factor, as set forth in the County Actuarial Table, used to calculate the risk associated with an increase in the Harvest Price relative to the Base Price.

(k) Cancellation date—The calendar date specified in each Crop Provision on which that Crop Provision will automatically renew unless canceled in writing by either you or us.

(l) Claim for indemnity—A claim made on our form by you for damage or loss to an insured crop and submitted to us not later than 60 days after the end of the insurance period (see section 14 of these Basic Provisions).

(m) Consent—Approval in writing by us allowing you to take a specific action.

(n) Contract—A contract for insurance between you and us consisting of the accepted Application, these Basic Provisions, the Crop Provisions, the Special Provisions, the County Actuarial Table for the insured crops, and the applicable regulations as published at 7 CFR part 400.

(o) Contract change date—The calendar date by which we make any contract (policy language or program date) changes available for inspection in the agent's office (see section 4 of these Basic Provisions).

(p) County—The county or other political subdivision of a state shown on your accepted application and includes acreage in a field that extends into an adjoining county if the county boundary is not readily discernible.

(q) County actuarial table—The forms and related material for the crop year which show coverage levels, premium rates, practices, insurable acreage, and other related information regarding crop insurance in the county.

(r) Coverage—The insurance provided by this policy against an insured loss of revenue by unit as shown on your summary of coverage.

(s) Coverage begins, date—The calendar date insurance begins on the insured crop, as contained in the Crop Provisions, or the date after planting is started on the unit (see section 11 of these Basic Provisions).

(t) Crop provisions—The part of the policy that contains the specific provisions of insurance for each insured crop.

(u) Crop year—The period within which the insured crop is normally grown and designated by the calendar year in which the insured crop is normally harvested.

(v) Damage—Injury, deterioration, or loss of revenue of the insured crop due to insured or uninsured causes.

(w) Damage, notice of—A written notice required to be filed in your agent's office whenever you initially discover the insured crop has been damaged to the extent that a loss is probable (see section 14 of these Basic Provisions).

(x) Delinquent account—Any account you have with us in which premiums, or interest on those premiums is not paid by the termination date specified in the crop provisions, or any other amounts due us, such as indemnities found not to have been earned, which are not paid within 30 days of our mailing or other delivery of notification to you of the amount due.

(y) Earliest planting date—The earliest date established for planting the insured crop and qualifying for a replant payment if applicable (see Special Provisions and section 13 of these Basic Provisions).

(z) End of insurance period, date of—The date upon which your crop insurance coverage ceases for the crop year (see Crop Provisions and section 11 of these Basic Provisions).

(aa) Final guarantee—The guaranteed dollar amount per acre of the insured crop on the unit.

(bb) FSA—The Farm Service Agency of the United States Department of Agriculture or a successor agency (formerly the Agricultural Stabilization and Conservation Service).

(cc) FSA farm serial number—The number assigned to the farm by the FSA county committee.

(dd) Insured—The named person as shown on the Application accepted by us. This term does not extend to any other person having a share or interest in the crop (for example, a partnership, landlord, or any other person) unless specifically indicated on the accepted application (see definition of "Person" in section 1(ii) of these Basic Provisions).

(ee) Insured crop—The crop defined under these Basic Provisions and the applicable Crop Provisions as shown on the application accepted by us.

(ff) Loss, notice of—The notice required to be given by you not later than 72 hours after certain occurrences or 15 days after the end of the insurance

period (see section 14 of the Basic Provisions).

(gg) MPCI—Multiple peril crop insurance program, a program of insurance offered under the Federal Crop Insurance Act, as amended (7 U.S.C. 1501 *et seq.*) (Act) and implemented in 7 CFR part 400.

(hh) Negligence—The failure to use such care as a reasonably prudent and careful person would use under similar circumstances.

(ii) Person—An individual, partnership, association, corporation, estate, trust, or other legal entity, and wherever applicable, a State or a political subdivision or agency of a State.

(jj) Policy—(see "Contract")

(kk) Practical to replant—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, 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.

(ll) Premium billing date—The earliest date upon which you will be billed for insurance coverage based on your acreage report and which generally falls at or near harvest time.

(mm) Production report—A written record showing your annual production and used by us to determine your yield for insurance purposes (see section 3). The report contains previous years yield information including planted acreage and harvested production. This report must be supported by written verifiable records from a warehouseman or buyer of the insured crop or by measurement of farm stored production, or by other records of production approved by us on an individual case basis.

(nn) Reporting date—The acreage reporting date (contained in the Special Provisions) by which you are required to report all your insurable acreage in the county in which you have a share and your share at the time insurance attaches, and any acreage in which you have a share which is not insured (see section 9 of these Basic Provisions).

(oo) Representative sample—Portions of the insured crop or insured crop residue which are required to remain in the field for examination and review by our loss adjusters when making a crop appraisal if required by the crop provisions. The size of the samples are further specified in the crop provisions.

(pp) Sales closing date—The date contained in the Special Provisions which is the final date when an application may be filed. This is the last date for you to make changes in your crop insurance coverage for the crop year.

(qq) Section (for the purposes of unit structure)—A unit of measure under a rectangular survey system describing a tract of land usually one mile square and usually containing approximately 640 acres.

(rr) Share—Your percentage of interest in the insured crop as an owner, operator, or tenant at the time insurance attaches. However, only for the purpose of determining the amount of indemnity, your share will not exceed your share at the earlier of the time of loss, or the beginning of harvest. Unless the accepted application clearly indicates that insurance is requested for a partnership or joint venture, or is intended to cover the landlord's, or tenant's share of the crop (see section 10(b)), insurance will cover only the share of the person completing the application. The share will not extend to any other person having an interest in the crop except as may otherwise be specifically allowed in this policy. We may consider any acreage or interest reported by or for your spouse, child or any member of your household to be included in your share. A lease containing provisions for *both* a minimum payment (such as a specified amount of cash, bushels, pounds, *etc.*) and a crop share will be considered a crop share lease. A lease containing provisions for *either* a minimum payment or a crop share will be considered a cash lease.

(ss) Special provisions—The part of the policy that contains specific provisions of insurance for each insured crop that may vary by geographic area.

(tt) State—The state shown on your accepted application.

(uu) Summary of coverage—Our statement to you, by unit and specifying the insured crop based upon the information provided in your acreage report.

(vv) Tenant—A person who rents land from another person for a share of the crop or a share of the proceeds of the crop (see the definition of "Share" in section 1(rr) of these Basic Provisions).

(ww) Termination date—The calendar date contained in the Crop Provisions upon which your policy ceases for nonpayment of premium or any other amount due us under the policy.

(xx) Unit—All insurable acreage of the insured crop in the county on the date coverage begins for the crop year:

(1) In which you have a 100 percent share; or

(2) Which is owned by one entity and operated by another specific entity on a share basis.

(For example, if, in addition to the land you own, you rent land from five landlords, three on a crop share basis and two on a cash basis, you would be entitled to four units, one for each crop share lease and one for the two cash leases and the land you own). Land rented for cash, a fixed commodity payment, or a consideration other than a share in the insured crop on such land will be considered as owned by the lessee (see section 1(rr) "Share"). Land which would otherwise be one unit may, in certain instances, be divided according to guidelines contained in the applicable crop provisions. Units will be determined when the acreage is reported but may be adjusted or combined to reflect the actual unit structure when adjusting a loss. However, no further division may be made after the acreage report date for any reason.

(yy) USDA—The United States Department of Agriculture.

2. Life Of Policy, Cancellation, And Termination. (a) This continuous policy will be in effect for the 1997 and 1998 crop years only. After acceptance of the application, you may not cancel this policy the initial crop year. Thereafter, the policy will continue in force for the succeeding crop year unless canceled or terminated as provided below.

(b) Either you or we may cancel this policy after the initial crop year by providing written notice to the other on or before the cancellation date shown in the Crop Provisions.

(c) All policies issued by us under the authority of the Act will terminate as of the coincidental or next termination date contained in these policies if any amount due us is not paid on or before the termination date for the crop on which the amount is due. Such unpaid debts will also make you ineligible for any crop insurance provided under the Act until payment is made. If we deduct any amount due us from an indemnity, the date of payment for the purpose of section 2(c) will be the date you sign the properly completed claim for indemnity.

(d) If you die, disappear, or are judicially declared incompetent, or if you are an entity other than an individual and such entity is dissolved, the policy will terminate as of the date of death, judicial declaration, or dissolution. If such event occurs after coverage begins for any crop year, the policy will continue in force through the crop year and terminate at the end

of the insurance period and any indemnity will be paid to the person or persons determined to be beneficially entitled to the indemnity. Death of a partner in a partnership will dissolve the partnership unless the partnership agreement provides otherwise. If two or more persons having a joint interest are insured jointly, death of one of the persons will dissolve the joint entity.

(e) Your policy will terminate if no premium is earned for 3 consecutive years.

(f) The cancellation and termination dates are contained in the Crop Provisions.

(g) You are not eligible to participate in the Crop Revenue Coverage program if you are identified in the Non-standard Classification System or have elected the Catastrophic Risk Protection endorsement.

(h) If you execute a High Risk Land Exclusion Option for a Crop Revenue Coverage Policy, you may elect to insure the "high risk land" under a Catastrophic Risk Protection endorsement. If both policies are in force, the acreage of the crop covered under the Crop Revenue Coverage policy and the acreage covered under the Catastrophic Risk Protection endorsement will be considered as separate crops for insurance purposes including the payment of administrative fees.

3. Coverage Level, Insurance Guarantee, Prices For Determining Indemnity. (a) For each crop year the coverage level by which an indemnity will be determined for each unit will be that shown on your summary of coverage. The information necessary to determine those amounts will be contained in the Special Provisions or in the County Actuarial Table.

(b) You may select only one coverage level offered by us for each insured crop. By written notice to us you may change the coverage level for the following crop year not later than the sales closing date for the affected insured crop. If you do not change the coverage level for the succeeding crop year you will be assigned the same coverage level that was in effect the previous crop year.

(c) This policy is an alternative to the Multiple Peril Crop Insurance program and satisfies the requirements of section 508(b)(7) of the Act.

(d) You must report production to us for the previous crop year by the earlier of the acreage reporting date or 45 calendar days after the cancellation date. If you do not provide the required production report, we will assign a yield for the previous crop year. The yield assigned by us will not be more than 75

percent of the yield used by us to determine your coverage for the previous crop year. The production report or assigned yield will be used to compute your approved yield for the purpose of determining your coverage for the current crop year. If you have filed a claim for any crop year, the production used to determine the indemnity payment will be the production report for that year.

(e) We may revise your Final Guarantee for any farm unit, and revise any indemnity paid based on that Final Guarantee, if we find that your production report under section 3(d) above:

(1) is not supported by written verifiable records (see section 1(mm) "Production report"); or

(2) fails to accurately report actual production.

4. *Contract Changes.* We may change the coverage available under this policy for the second year. Your crop insurance agent will have changes in policy provisions and program dates by the contract change date contained in the Crop Provisions. Your crop insurance agent will have changes in maximum amounts of insurance and premium rates 15 days before the cancellation date contained in the Crop Provisions. In addition, you will be notified, in writing, of these changes. Such notification will be made at least 30 days prior to the cancellation date of the insured crop for policy and program date changes, and 15 days prior to the cancellation date of the insured crop for changes in the maximum amounts of insurance and premium rates.

5. *Liberalization.* If we adopt any revisions which would broaden the coverage under this policy subsequent to the contract change date without additional premium, the broadened coverage will apply.

6. *Report Of Acreage.* (a) An annual acreage report must be submitted to us on our form for each insured crop in the county on or before the acreage reporting date shown in the Special Provisions. This report must include the following information, if applicable:

(1) All acreage of the crop (insurable and not insured) in which you have a share;

(2) Your share at the time coverage begins;

(3) The practice;

(4) The type; and

(5) The date the insured crop was planted.

(b) If you do not have a share in any insured crop in the county for the crop year, you must submit an acreage report so indicating.

(c) Because incorrect reporting on the acreage report may have the effect of changing your premium and any indemnity which may be due, you may not revise this report after the acreage reporting date without our consent.

(d) We may elect to determine all premiums and indemnities based on the information you submit on the acreage report or upon the factual circumstances which we determine to have actually existed.

(e) If you do not submit an acreage report by the acreage reporting date, or if you fail to report all units, we may elect to determine, by unit, the insurable crop acreage, share, type and practice or deny liability on any unit.

(f) If the information reported by you on the acreage report for a unit results in a lower premium than the actual premium determined to be due on the basis of the share, acreage, practice, type or other material information determined to actually exist, the Final Guarantee on the unit will be reduced proportionately. In the event that acreage is under-reported, all production or value from insurable acreage for the unit, whether or not reported as insurable, will be considered production or value to count in determining the indemnity.

(g) Errors in reporting units may be corrected by us to reduce our liability and to conform to applicable unit division guidelines at the time of adjusting a loss.

7. *Annual Premium.* (a) The annual premium is earned and payable at the time coverage begins. You will be billed for premium due not earlier than the billing date specified in the Special Provisions. The premium due, plus any accrued interest, will be considered delinquent if any amount due us is not paid on or before the termination date specified in the Crop Provisions.

(b) Any amount due us under this policy will be deducted from any replant payment or indemnity due you under the provisions of this policy.

(c) The annual premium amount is determined by:

(1) Multiplying the Approved Yield times the coverage level, times the Base Rate specified in the County Actuarial Table, times the Base Price as defined in the County Actuarial Table;

(2) Multiplying the approved yield times the coverage level, times the CRC Rate specified in the County Actuarial Table, times the CRC Low Price Factor specified in the County Actuarial Table;

(3) Multiplying the Approved Yield times the coverage level, times the Base Rate specified in the County Actuarial Table, times the CRC High Price Factor specified in the County Actuarial Table;

(4) Adding items (1), (2), and (3) together;

(5) Multiplying the result of item (4) above times the acres insured, times your share at the time coverage begins, and as applicable, times any Rate Map Adjustment Factor; Rate Class Option Factor and; Option Factor specified in the County Actuarial Table;

(6) Multiplying the Approved Yield times the coverage level, times the Base Rate specified in the County Actuarial Table, times the MPCII Market Price Election, times the insured acres, times your share at the time coverage begins, and as applicable, times any Rate Map Adjustment Factor; Rate Class Option Factor and; Option Factor specified in the County Actuarial Table, and times the applicable producer subsidy percentage to calculate the appropriate amount of subsidy. The producer subsidy percentage is based upon the coverage level as follows:

75%=0.235

70%=0.319

65%=0.417

60%=0.412

55%=0.503

50%=0.600

(7) Subtracting item (6) from item (5) above to determine the annual producer paid premium.

8. *Insured Crop.* (a) The insured crop will be that shown on your accepted application and as specified in the Crop Provisions and must be grown on insurable acreage.

(b) A crop which will NOT be insured will include, but will not be limited to, any crop:

(1) If the farming practices carried out are not in accordance with the farming practices for which the premium rates and Final Guarantee have been established;

(2) Of a type, class or variety established as not adapted to the area or excluded by the Special Provisions;

(3) That is a volunteer crop;

(4) That is a second crop following the same crop (insured or not insured) harvested in the same crop year unless specifically permitted by the Crop Provisions or the Special Provisions;

(5) Which is planted for the development or production of hybrid seed or for experimental purposes, unless permitted by the Crop Provisions or unless we agree, in writing, to insure such crop; or

(6) Used for wildlife protection or management.

9. *Insurable Acreage.* (a) Acreage planted to the insured crop in which you have a share is insurable unless it is acreage:

(1) On which a crop has not been planted or harvested in at least one of

the three previous crop years, unless FSA classifies such acreage as cropland;

(2) Which has been strip-mined, unless we agree in writing to insure such acreage;

(3) On which the insured crop is damaged and it is practical to replant the insured crop, but the insured crop is not replanted;

(4) Which is planted with a crop other than the insured crop, unless allowed by the Crop Provisions; or

(5) Which is otherwise restricted by the Crop Provisions or Special Provisions.

(b) If insurance is provided for an irrigated practice, you must report as irrigated only that acreage for which you have adequate facilities and water, at the time coverage begins, to carry out a good irrigation practice.

(c) If acreage is irrigated and we do not provide a premium rate for an irrigated practice, you may either report and insure the irrigated acreage as "nonirrigated," or report the irrigated acreage as not insured.

(d) We may restrict the amount of acreage which we will insure to the amount allowed under any acreage limitation program established by the USDA if we notify you of that restriction prior to the sales closing date.

10. *Share Insured.* (a) You may only insure your share as defined in section 1(rr) of these Basic Provisions.

(b) You, as a landlord (or tenant), may insure your tenant's (or landlord's) share of the crop if evidence of the other party's approval of that insurance is demonstrated (Lease, Power of Attorney, etc.). The respective shares must be clearly set out on the acreage report and a copy of the other party's approval must be retained by us.

11. *Insurance Period.* Coverage begins on each unit or part of a unit, the later of: the date you submit your application, when the insured crop is planted, or on the calendar date for the beginning of the insurance period if specified in the Crop Provisions, and ends at the earliest of:

(a) Total destruction of the insured crop on the unit;

(b) Harvest of the unit;

(c) Final adjustment of a loss on a unit;

(d) The calendar date for the end of the insurance period contained in the Crop Provisions;

(e) Abandonment of the crop on the unit; or

(f) As otherwise specified in the Crop Provisions.

12. *Causes Of Loss.* The insurance provided is against only unavoidable loss of revenue directly caused by specific causes of loss contained in the

Crop Provisions. All other causes of loss, including but not limited to the following, are NOT covered:

(a) Negligence, mismanagement, or wrongdoing by you, any member of your family or household, your tenants, or employees;

(b) The failure to follow recognized good farming practices for the insured crop;

(c) Water contained by any governmental, public, or private dam or reservoir project;

(d) Failure or breakdown of irrigation equipment or facilities; or

(e) Failure to carry out a good irrigation practice for the insured crop if applicable.

13. *Replanting Payment.* (a) If allowed by the Crop Provisions, a replanting payment may be made on an insured crop replanted after we have given consent and the acreage replanted is at least the lesser of 20 acres or 20 percent of the insured acreage for the unit (as determined on the final planting date).

(b) No replanting payment will be made on acreage:

(1) On which our appraisal establishes that production will exceed the level set by the Crop Provisions;

(2) Initially planted prior to the date established by the Special Provisions; or

(3) On which one replanting payment has already been allowed for the crop year.

(c) The replanting payment per acre will be your actual cost for replanting, but will not exceed the amount determined in accordance with the Crop Provisions.

(d) If the information reported by you on the acreage report results in a lower premium than the actual premium determined to be due based on the acreage, share, practice, or type determined actually to have existed, the replanting payment will be reduced proportionately.

(e) No replanting payment will be paid for replanting any crop if we determine it is not practical to replant (see section 1(kk)).

14. *Duties In The Event Of Damage Or Loss.* Your Duties:

(a) In case of damage or loss of revenue to any insured crop you must:

(1) Protect the crop from further damage by providing sufficient care;

(2) Give us notice within 72 hours of your initial discovery of damage (but not later than 15 days after the end of the insurance period);

(3) Leave representative samples intact for each field of the damaged unit as may be required by the Crop Provisions; and

(4) Give us notice of your expected revenue loss not later than 45 days after the date the Harvest Price is published.

(b) You must obtain consent from us before, and notify us after you:

(1) Destroy any of the insured crop which is not harvested;

(2) Put the insured crop to an alternative use;

(3) Put the acreage to another use; or

(4) Abandon any portion of the insured crop.

We will not give such consent if it is practical to replant the crop or until we have made an appraisal of the potential production of the crop.

(c) In addition to complying with all other notice requirements, you must submit a claim for indemnity declaring the amount of your loss not later than 60 days after the end of the insurance period. This claim must include all the information we require to settle the claim.

(d) Upon our request, you must:

(1) Provide a complete harvesting and marketing record of each insured crop by unit including separate records showing the same information for production from any acreage not insured; and

(2) Submit to examination under oath.

(e) You must establish the total production for the insured crop on the unit and that any loss of production has been directly caused by one or more of the insured causes, specified in the Crop Provisions, during the insurance period.

(f) All notices required in section 14 of these Basic Provisions that must be received by us within 72 hours may be made by telephone or in person to your crop insurance agent but must be confirmed in writing within 15 days.

Our Duties:

(a) If you have complied with all the policy provisions, we will pay your loss within 30 days after:

(1) We reach agreement with you; or

(2) The entry of a final judgment by a court of competent jurisdiction.

(b) In the event we are unable to pay your loss within 30 days, we will give you notice of our intentions within the 30 day period.

(c) We may defer the adjustment of a loss until the amount of loss can be accurately determined. We will not pay for additional damage resulting from your failure to provide sufficient care for the crop during the deferral period.

(d) We recognize and apply the MPCIC loss adjustment procedures established or approved by FCIC to determine production to count.

15. *Production Included In Determining Indemnities.* (a) The total production to be counted for a unit will include all production determined in accordance with the Crop Provisions.

(b) The amount of production of any unharvested insured crop may be

determined on the basis of our field appraisals conducted after the end of the insurance period.

16. *Crops As Payment.* You must not abandon any crop to us. We will not accept any crop as compensation for payments due us.

17. *Arbitration.* If you and we fail to agree on any factual determination, disagreement will be resolved in accordance with the rules of the American Arbitration Association. Failure to agree with any factual determination made by FCIC must be resolved pursuant to 7 CFR part 11.

18. *Access To Insured Crop And Record Retention.* (a) We reserve the right to examine the insured crop as often as we reasonably require.

(b) For three years after the end of the crop year, you must retain, and provide upon our request, complete records of the harvesting, storage, shipment, sale, or other disposition of all the insured crop produced on each unit. This requirement also applies to the records used to establish the basis for the production report for each unit. You must also upon our request, provide separate records showing the same information for production from any acreage not insured. We may extend the record retention period beyond three years by notifying you of such extension in writing. Your failure to keep and maintain such records may, at our option, result in:

(1) Cancellation of the policy;

(2) Assignment of production to units by us; or

(3) A determination that no indemnity is due.

(c) Any person designated by us will, at any time during the record retention period, have access:

(1) To any records relating to this insurance at any location where such records may be found or maintained; and

(2) To the farm.

(d) By applying for insurance under the Act or by continuing insurance previously applied for, you authorize us, or any person acting for us, to obtain records relating to the insured crop from any person who may have custody of those records including, but not limited to, county FSA offices, banks, warehouses, gins, cooperatives, marketing associations, accountants, etc. You must assist us in obtaining all records which we request from third parties.

19. *Other Insurance.* (a) Other Like Insurance.

You must not obtain any other crop insurance issued under the authority of the Act on your share of the insured crop. If we determine that more than

one policy on your share is intentional, you may be subject to the fraud provisions under this policy. If we determine that the violation was not intentional, the policy with the earliest date of application will be in force and all other policies will be void. Nothing in section 19(a) of these Basic Provisions prevents you from obtaining other insurance not issued under the Act.

(b) Other Insurance Against Fire.

If you have other insurance, whether valid or not, against damage to the insured crop by fire during the insurance period, we will be liable for loss for the smaller of:

(1) The amount of indemnity determined pursuant to this policy without regard to any other insurance; or

(2) The amount by which the loss is determined to exceed the indemnity paid or payable under such other insurance.

For the purpose of section 19(b)(2) of these Basic Provisions, the amount of loss will be the reduction in revenue of the insured crop on the unit involved determined pursuant to this policy.

20. *Conformity To Food Security Act.* Although your violation of a number of federal statutes, including the Act, may cause cancellation, termination, or voidance of your insurance contract, you should be aware that your policy will be canceled if you are determined to be ineligible to receive benefits under the Act, due to violation of the Controlled Substance Provision (title XVII) of the Food Security Act of 1985 (Pub. L. 99-198) and the regulations promulgated under the Act by the United States Department of Agriculture. Your insurance policy will be canceled if you are determined, by the appropriate United States Government Agency, to be in violation of these provisions. We will recover any and all monies paid to you or received by you and your premium will be refunded less a reasonable amount for expenses and handling not to exceed 20 percent of the premium paid.

21. *Amounts Due Us.* (a) Interest will accrue at the rate of 1.25 percent simple interest per calendar month, or any part thereof, on any unpaid amount due us. For the purpose of premium amounts due us, interest will start on the first day of the month following the premium billing date specified in the Special Provisions.

(b) For the purpose of any other amounts due us, such as repayment of indemnities found not to have been earned, interest will start on the date that notice is issued to you for the collection of the unearned amount.

Amounts found due under section 21(b) of these Basic Provisions will not be charged interest if payment is made within 30 days of issuance of the notice by us. The amount will be considered delinquent if not paid within 30 days of the date the notice is issued by us.

(c) All amounts paid will be applied first to expenses of collection (see section 21(d) of these Basic Provisions), if any, second, to the reduction of accrued interest, and then to the principal balance.

(d) If we determine that it is necessary to contract with a collection agency or to employ an attorney to assist in collection, you agree to pay all of the expenses of collection. Those expenses will be paid before the application of any amounts to interest or principal.

22. *Legal Action Against Us.* You may not bring legal action against us unless you have complied with all of the policy provisions.

23. *Payment And Interest Limitations.* We will pay simple interest computed on the net indemnity ultimately found to be due by us or by a final judgment of a court of competent jurisdiction, from and including the 61st day after the date you sign, date, and submit to us the properly completed claim on our form. Interest will be paid only if the reason for our failure to timely pay is NOT due to your failure to provide information or other material necessary for the computation or payment of the indemnity. The interest rate will be that established by the Secretary of the Treasury under section 12 of the Contract Disputes Act of 1978 (41 U.S.C. 611), and published in the **Federal Register** semiannually on or about January 1 and July 1 of each year and may vary with each publication.

24. *Concealment, Misrepresentation Or Fraud.* This policy will be void in the event you have falsely or fraudulently concealed either the fact that you are restricted from receiving benefits under the Act or that action is pending which may restrict your eligibility to receive such benefits. We will also void this policy if you or anyone assisting you has intentionally concealed or misrepresented any material fact relating to this or any other FCIC or FCIC reinsured policy. This voidance will not affect your obligation to pay premiums or waive any of our rights under this policy, including the right to collect any amount due us. The voidance will be effective as of the time coverage began for the crop year within which such act occurred.

25. *Transfer of Coverage and Right to Indemnity.* If you transfer any part of your share during the crop year, you may transfer your coverage rights. The

transfer must be on our form and approved by us. Both you and the person to whom you transfer your interest are jointly and severally liable for the payment of the premium. The transferee has all rights and responsibilities under this policy consistent with the transferee's interest.

26. *Assignment of Indemnity.* You may assign to another party your right to an indemnity for the crop year. The assignment must be on our form and will not be effective until approved in writing by us. The assignee will have the right to submit all loss notices and forms as required by the policy.

27. *Subrogation (Recovery Of Loss From A Third Party).* Because you may be able to recover all or a part of your loss from someone other than us, you must do all you can to preserve this right. If we pay you for your loss, your right to recovery will, at our option, belong to us. If we recover more than we paid you plus our expenses, the excess will be paid to you.

28. *Descriptive Headings.* The descriptive headings of the various policy provisions are formulated for convenience only and are not intended to affect the construction or meaning of any of the policy provisions.

29. *Notices.* All notices required to be given by you must be in writing and received by your crop insurance agent within the designated time unless otherwise provided by the notice requirement. Notices required to be given immediately may be by telephone or in person and confirmed in writing. Time of the notice will be determined by the time of our receipt of the written notice. If the date by which you are required to submit a report or notice falls on Saturday, Sunday, or a Federal holiday, or, if your agent's office is, for any reason, not open for business on the date you are required to submit such notice or report, such notice or report must be submitted on the next business day. All notices and communications required to be sent by us to you will be mailed to the address contained in your records located with your crop insurance agent. You should advise us immediately of any change of address.

Crop Revenue Coverage

Cotton Crop Provisions

This is a risk management program. This risk management tool may be reinsured under the authority provided by section 508 (h) of the Federal Crop Insurance Act. If a conflict exists among the Crop Revenue Coverage Basic Provisions, these Cotton Crop Provisions, and the Special Provisions, the Special Provisions will control these

Cotton Crop Provisions and the Basic Provisions; and these Cotton Crop Provisions will control the Basic Provisions.

1. Definitions

(a) *Base price*—Refer to the definition contained in the Commodity Exchange Endorsement—Cotton.

(b) *Calculated revenue*—The production to count multiplied by the Harvest Price.

(c) *Cotton*—Varieties identified as American Upland Cotton.

(d) *Days*—Calendar days.

(e) *Final guarantee*—The number of dollars guaranteed per acre determined to be the higher of the Minimum Guarantee or the Harvest Guarantee, where:

(1) *Minimum guarantee*—The approved yield per acre, multiplied by the Base Price, multiplied by the coverage level percentage you elect.

(2) *Harvest guarantee*—The approved yield per acre, multiplied by the Harvest Price, multiplied by the coverage level percentage you elect.

(f) *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 Final Guarantee.

(g) *Good farming practices*—The cultural practices generally in use in the county for the insured crop to make normal progress toward maturity and produce at least the yield used to determine the Final Guarantee and are those recognized by the Cooperative State Research, Education, and Extension Service as compatible with agronomic and weather conditions in the area.

(h) *Growth area*—A geographic area designated by the Secretary of Agriculture for the purpose of reporting cotton prices.

(i) *Harvest*—The removal of the seed cotton from the open cotton boll, or the severance of the open cotton boll from the stalk by either manual or mechanical means.

(j) *Harvest price*—Refer to the definition contained in the Commodity Exchange Endorsement—Cotton.

(k) *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.

(l) *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 Final Guarantee

on the irrigated acreage planted to the insured crop.

(m) *Late planted*—Acreage planted to cotton during the late planting period.

(n) *Late planting period*—The period that begins the day after the final planting date for the insured crop and ends 25 days after the final planting date.

(o) *Mature cotton*—Cotton that can be harvested either manually or mechanically.

(p) *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 which has been properly prepared for the planting method and production practice. Cotton must be planted in rows to be considered planted. Planting in any other manner will be considered as a failure to follow recognized good farming practices and any loss of production will not be insured unless otherwise provided by the Special Provisions to insure such crop. The yield conversion factor normally applied to non-irrigated skip-row cotton acreage will not be used if the land between the rows of cotton is planted to any other spring planted crop.

(q) *Practical to replant*—In lieu of section 1 "Practical to replant" of the Basic Provisions, 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.

(r) *Prevented planting*—Inability to plant the insured crop with proper equipment by the final planting date designated in the Special Provisions for the insured crop in the county or the end of the late planting period. You must have been unable to plant the insured crop due to an insured cause of loss that has prevented the majority of producers in the surrounding area from planting the same crop.

(s) *Prevented planting guarantee*—The Prevented Planting Guarantee for such acreage will be that percentage of the Final Guarantee for timely planted acres as set forth in section 12(d).

(t) *Replanting*—Performing the cultural practices necessary to replace the cotton seed, and replacing the seed in the insured acreage with the

expectation of growing a successful crop.

(u) Skip-row—A planting pattern that:

(1) Consists of alternating rows of cotton and fallow land or land planted to another crop the previous fall; and

(2) Qualifies as a skip-row planting pattern as defined by the FSA or successor agency.

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

2. Unit Division

Unless limited by the Special Provisions, a unit as defined in section 1 (Definitions—Unit) of the Basic Provisions, may be divided into optional units if, for each optional unit, you meet all the conditions of this section. All optional units must be reflected on the acreage report for each crop year.

(a) You must have records, which can be independently verified, of planted acreage and production for each optional unit for at least the last crop year used to determine your Final Guarantee;

(b) 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;

(c) You must have records of marketed production or measurement of stored production from each optional unit maintained in such a manner that we can verify the production from each optional unit, or the production from each optional unit must be kept separate until after loss adjustment under the policy is completed; and

(d) Each optional unit must meet one or more of the following criteria as applicable:

(1) Optional Units by Section, Section Equivalent, or FSA Farm Serial Number:

Optional units may be established if each optional unit is located in a separate legally identified section. In the absence of sections, we may consider parcels of land legally identified by other methods of measure including, but not limited to: Spanish grants, railroad surveys, leagues, labors, or Virginia Military Lands as equivalent of sections for unit purposes. In areas which have not been surveyed using the systems identified above, or another system approved by us, or in areas where such systems exist but boundaries are not readily discernable, each optional unit must be located in a separate farm identified by a single FSA farm serial number.

(2) Optional Units on Acreage Including Both Irrigated and Non-irrigated Practices: In addition to, or instead of, establishing optional units by section, section equivalent, or FSA farm serial number, optional units may be based on irrigated acreage or non-irrigated acreage if both are located in the same section, section equivalent, or FSA farm serial number. To qualify as separate irrigated and non-irrigated optional units, the non-irrigated acreage may not continue into the irrigated acreage in the same rows or planting pattern. The irrigated acreage may not extend beyond the point at which your irrigation system can deliver the quantity of water needed to produce the yield on which your Final Guarantee is based, except the corners of a field in which a center-pivot irrigation system is used will be considered as irrigated acreage if separate acceptable records of production from the corners are not provided. If the corners of a field in which a center-pivot irrigation system is used do not qualify as a separate non-irrigated optional unit, they will be a part of the unit containing the irrigated acreage. However, non-irrigated acreage

that is not a part of a field in which a center-pivot irrigation system is used may qualify as a separate optional unit provided that all requirements of this section are met.

Basic units may not be divided into optional units on any basis including, but not limited to: production practice, type, variety, or planting period, other than as described above. If you do not comply fully with these provisions, we will combine all optional units which are not in compliance with these provisions into the 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 on all optional units is determined to be inadvertent, and the optional units are combined, premium paid for the purpose of electing optional units will be refunded to you.

3. Coverage Level, Insurance Guarantee, Prices for Determining Indemnity

In addition to the requirements of section 3 (Coverage Level, Insurance Guarantee, Prices for Determining Indemnity) of the Basic Provisions all the insurable acreage of each crop in the county insured as cotton under this policy will have the same coverage level election.

4. Contract Changes

The contract change date is December 31 preceding the cancellation date (see the provisions of section 4 (Contract Changes) of the Basic Provisions).

5. Cancellation and Termination Dates

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

State and county	Cancellation and termination dates
Val Verde, Edwards, Kerr, Kendall, Bexar, Wilson, Karnes, Goliad, Victoria, and Jackson Counties, Texas, and all Texas counties lying south thereof.	February 15.
Alabama; Arizona; Arkansas; California; Florida; Georgia; Louisiana; Mississippi; Nevada; North Carolina; South Carolina; El Paso, Hudspeth, Culberson, Reeves, Loving, Winkler, Ector, Upton, Reagan, Sterling, Coke, Tom Green, Concho, McCulloch, San Saba, Mills, Hamilton, Bosque, Johnson, Tarrant, Wise, and Cooke Counties, Texas counties lying south and east thereof to and including Terrell, Crockett, Sutton, Kimble, Gillespie, Blanco, Comal, Guadalupe, Gonzales, De Witt, Lavaca, Colorado, Wharton, and Matagorda Counties, Texas.	February 28.
All other Texas counties and all other states.	March 15.

6. Insured Crop

In accordance with section 8 (Insured Crop) of the Basic Provisions, the crop insured will be all the cotton lint, in the county for which premium rates are provided by the County Actuarial Table:

(a) In which you have a share; and
 (b) That is not (unless allowed by the Special Provisions):
 (1) Colored cotton lint;
 (2) Planted into an established grass or legume;

(3) Interplanted with another spring planted crop;

(4) Grown on acreage from which a hay crop was harvested in the same calendar year unless the acreage is irrigated; or

(5) Grown on acreage on which a small grain crop reached the heading stage in the same calendar year unless the acreage is irrigated or adequate measures are taken to terminate the small grain crop prior to heading and less than 50 percent of the small grain plants reach the heading stage.

7. Insurable Acreage

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

(a) The acreage insured will be only the land occupied by the rows of cotton when a skip row planting pattern is utilized; and

(b) Any acreage of the insured crop damaged before the final planting date, to the extent that the remaining stand will not produce at least 90 percent of the Minimum Guarantee, must be replanted unless we agree that replanting is not practical (see section 1 "Practical to replant").

8. Insurance Period

(a) In lieu of section 11(b) (harvest of the unit) of the Basic Provisions, insurance will end upon the removal of the cotton from the field.

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

(1) September 30 in Val Verde, Edwards, Kerr, Kendall, Bexar, Wilson, Karnes, Goliad, Victoria, and Jackson Counties, Texas, and all Texas counties lying south thereof;

(2) January 31 in Arizona, California, New Mexico, Oklahoma, and all other Texas counties; and

(3) December 31 in all other states.

9. Causes of Loss

In accordance with the provisions of section 12 (Causes of Loss) of the Basic Provisions, insurance is provided only against an unavoidable loss of revenue due to the following causes of loss which occur within 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;

(h) Failure of the irrigation water supply, if applicable, due to an unavoidable cause of loss occurring within the insurance period; or

(i) A Harvest Price that is less than the Base Price.

10. Duties in the Event of Damage or Loss

(a) In addition to your duties under section 14 (Duties in the Event of Damage or Loss) of the Basic Provisions, in the event of damage or loss:

(1) The cotton stalks must remain intact for our inspection; and

(2) If you initially discover damage to the insured crop within 15 days of harvest, or during harvest, you must leave representative samples of the unharvested crop in the field for our inspection. The samples must be at least 10 feet wide and extend the entire length of each field in the unit.

(b) The stalks must not be destroyed, and required samples must not be harvested, until the earlier of our inspection or 15 days after harvest of the balance of the unit is completed and written notice of probable loss given to us.

11. Settlement of Claim

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

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

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

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

(1) Multiplying the insured acreage by the Final Guarantee;

(2) Subtracting the Calculated Revenue from the result of section 11(b)(1); and

(3) Multiplying the result by your share.

If the result of 11(b)(3) is greater than zero, an indemnity will be paid. If the result of section 11(b)(3) is less than zero, no indemnity will be paid.

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

(1) All appraised production as follows:

(i) Not less than that amount of production that when multiplied by the Harvest Price equals the Final Guarantee for the acreage:

(A) That is abandoned;

(B) Put to another use without our consent;

(C) Damaged solely by uninsured causes;

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

(E) in violation of section 10;

(ii) Production lost due to uninsured causes;

(iii) Unharvested production (mature unharvested production of white cotton may be adjusted for quality deficiencies in accordance with section 11(d)); and

(iv) You want to put to another use or you wish to abandon or no longer care for, if you and we agree on the appraised amount of production. Upon such agreement, the insurance period for that acreage will end if you put the acreage to another use or abandon the crop. If agreement on the appraised amount of production is not reached:

(A) 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 you 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

(2) All harvested production from the insurable acreage, including any mature cotton retrieved from the ground.

(d) Mature white cotton may be adjusted for quality when production has been damaged by insured causes. Such production to count will be reduced if the price quotation for cotton of like quality (price quotation "A") for the applicable growth area is less than 75 percent of price quotation "B". Price quotation "B" is defined as the price quotation for the applicable growth area for cotton of the color and leaf grade, staple length, and micronaire reading designated in the Special Provisions for this purpose. Price quotations "A" and "B" will be the price quotations contained in the Daily Spot Cotton Quotations published by the USDA Agricultural Marketing Service on the date the last bale from the unit is classed. If the date the last bale classed is not available, the price quotations will be determined on the date the last bale from the unit is delivered to the warehouse, as shown on the producer's account summary obtained from the gin. If eligible for adjustment, the amount of production to be counted will be determined by multiplying the number

of pounds of such production by the factor derived from dividing price quotation "A" by 75 percent of price quotation "B".

(e) Colored cotton lint will not be eligible for quality adjustment.

12. Late Planting and Prevented Planting

(a) In lieu of provisions contained in the Basic Provisions regarding acreage initially planted after the final planting date and the applicability of a late planting agreement option, insurance will be provided for acreage planted to the insured crop during the late planting period (see section 12(c)), and acreage you were prevented from planting (see section 12(d)). These coverages provide reduced guarantees. The reduced guarantees will be combined with the Final Guarantee for timely planted acreage for each unit. The premium amount for late planted acreage and eligible prevented planting acreage will be the same as that for timely planted acreage. If the amount of premium you are required to pay (gross premium less our subsidy) for late planted acreage or prevented planting acreage exceeds the liability on such acreage, coverage for those acres will not be provided (no premium will be due and no indemnity will be paid for such acreage). (For example, assume you insure one unit in which you have a 100 percent share. The unit consists of 150 acres, of which 50 acres were planted timely, 50 acres were planted 7 days after the final planting date (late planted), and 50 acres are unplanted and eligible for prevented planting coverage. To calculate the amount of any indemnity which may be due to you, the Final Guarantee for the unit will be computed as follows:

(1) For timely planted acreage, multiply the per acre Final Guarantee for timely planted acreage by the 50 acres planted timely;

(2) For late planted acreage, multiply the per acre Final Guarantee for timely planted acreage by 93 percent and multiply the result by the 50 acres planted late; and

(3) For prevented planting acreage, multiply the per acre Final Guarantee for timely planted acreage by:

(i) Thirty-five percent and multiply the result by the 50 acres you were prevented from planting, if the acreage is eligible for prevented planting coverage, and if the acreage is left idle for the crop year, or if a cover crop is planted not for harvest. Prevented planting compensation hereunder will not be denied because the cover crop is hayed or grazed; or

(ii) Seventeen and five tenths percent and multiply the result by the 50 acres you were prevented from planting, if the acreage is eligible for prevented planting coverage, and if you elect to plant a substitute crop for harvest after the 10th day following the final planting date for the insured crop. (This section 12(a)(3) (ii) is not applicable, and prevented planting coverage is not available hereunder, if you elected to exclude prevented planting coverage when a substitute crop is planted (see section 12(d)(1)(iii)).

The total of the three calculations will be the Final Guarantee for the unit. Your premium will be based on the result of multiplying the per acre Minimum Guarantee for timely planted acreage by the 150 acres in the unit.

(b) If you were prevented from planting, you must provide written notice to us not later than the acreage reporting date.

(c) Late Planting

(1) For cotton acreage planted after the final planting date but on or before 25 days after the final planting date, the Final Guarantee for each acre will be reduced for each day planted after the final planting date by:

(i) One percent for the first through the tenth day; and

(ii) Two percent for the eleventh through the twenty-fifth day.

(2) In addition to the requirements of section 6 (Report of Acreage) of the Basic Provisions, you must report the dates the acreage is planted within the late planting period.

(3) If planting of cotton continues after the final planting date, or you are prevented from planting during the late planting period, the acreage reporting date will be the later of:

(i) The acreage reporting date contained in the Special Provisions; or

(ii) Five (5) days after the end of the late planting period.

(d) Prevented Planting (Including Planting After the Late Planting Period).

(1) If you were prevented from planting cotton (see section 1 "Coverage") you may elect:

(i) To plant cotton during the late planting period. The Final Guarantee for such acreage will be determined in accordance with section 12(c)(1);

(ii) Not to plant this acreage to any crop except a cover crop not for harvest. You may also elect to plant the insured crop after the late planting period. In either case, the Final Guarantee for such acreage will be 35 percent of the Final Guarantee for timely planted acres. For example, if your Final Guarantee for timely planted acreage is 500 dollars per acre, your Prevented Planting Guarantee would be 175 dollars per acre (500

dollars multiplied by 0.35). If you elect to plant the insured crop after the late planting period, production to count for such acreage will be determined in accordance with sections 11(c) and (d); or

(iii) Not to plant the intended crop but plant a substitute crop for harvest, in which case:

(A) No Prevented Planting Guarantee will be provided for such acreage if the substitute crop is planted on or before the tenth day following the final planting date for the insured crop; or

(B) A Final Guarantee equal to 17.5 percent of the Final Guarantee for timely planted acres will be provided for such acreage, if the substitute crop is planted after the tenth day following the final planting date for the insured crop. (If you elected to exclude this coverage, and plant a substitute crop, no prevented planting coverage will be provided. For example, if your Final Guarantee for timely planted acreage is 500 dollars per acre, your Prevented Planting Guarantee would be 87.50 dollars per acre (500 dollars multiplied by 0.175). You may elect to exclude prevented planting coverage when a substitute crop is planted for harvest and receive a reduction in the applicable premium rate. If you wish to exclude this coverage, you must so indicate, on or before the sales closing date, on your application or on a form approved by us. Your election to exclude this coverage will remain in effect from year to year unless you notify us in writing on our form by the applicable sales closing date for the crop year for which you wish to include this coverage. All acreage of the crop insured under this policy will be subject to this exclusion.

(2) Proof may be required that you had the inputs available to plant and produce the intended crop with the expectation of at least producing the Final Guarantee.

(3) In addition to the provisions of section 11 (Insurance Period) of the Basic Provisions, the insurance period for prevented planting coverage begins:

(i) On the sales closing date contained in the Special Provisions for the insured crop in the county for the crop year the application for insurance is accepted; or

(ii) For any subsequent crop year, on the sales closing date for the insured crop in the county for the previous crop year, provided continuous coverage has been in effect since that date. For example: If you make application and purchase a cotton crop insurance policy for the 1997 crop year, prevented planting coverage will begin on the 1997 sales closing date for the cotton crop in the county. If the cotton coverage

remains in effect for the 1998 crop year (is not terminated or canceled during or after the 1997 crop year, except the policy may have been canceled to transfer the policy to a different insurance provider, if there is no lapse in coverage), prevented planting coverage for the 1998 crop year began on the 1997 sales closing date.

(4) The acreage to which prevented planting coverage applies will not exceed the total eligible acreage on all FSA farm serial numbers in which you have a share, adjusted for any reconstitution that may have occurred on or before the sales closing date. Eligible acreage for each FSA farm serial number is determined as follows:

(i) If you participate in any program administered by the USDA that limits the number of acres that may be planted for the crop year, the acreage eligible for prevented planting coverage will not exceed the total acreage permitted to be planted to the insured crop.

(ii) If you do not participate in any program administered by the USDA that limits the number of acres that may be planted, and unless we agree in writing on or before the sales closing date, eligible acreage will not exceed the greater of:

(A) The FSA base acreage for the insured crop, including acres that could be flexed from another crop, if applicable;

(B) The number of acres planted to cotton on the FSA farm serial number during the previous crop year; or

(C) One hundred percent of the simple average of the number of acres planted to cotton during the crop years that you certified to determine your yield.

(iii) Acreage intended to be planted under an irrigated practice will be limited to the number of acres for which you had adequate irrigation facilities prior to the insured cause of loss which prevented you from planting.

(iv) Prevented planting coverage will not be provided for any acreage:

(A) That does not constitute at least 20 acres or 20 percent of the acreage in the unit, whichever is less (Acreage that is less than 20 acres or 20 percent of the acreage in the unit will be presumed to have been intended to be planted to the insured crop planted in the unit, unless you can show that you had the inputs available before the final planting date to plant and produce another insured crop on the acreage);

(B) For which the County Actuarial Table does not designate a premium rate;

(C) Used for conservation purposes or intended to be left unplanted under any program administered by the USDA;

(D) On which another crop is prevented from being planted, if you have already received a prevented planting indemnity, guarantee or amount of insurance for the same acreage in the same crop year, unless you provide adequate records of acreage and production showing that the acreage has a history of double-cropping in each of the last four years;

(E) On which the insured crop is prevented from being planted, if any other crop is planted and fails, or is planted and harvested, hayed or grazed on the same acreage in the same crop year (other than a cover crop as specified in section 12(a)(3)(i), or a substitute crop allowed in section 12(a)(3)(ii) unless you provide adequate records of acreage and production showing that the acreage has a history of double-cropping in each of the last four years; or

(F) For which planting history or conservation plans indicate that the acreage would have remained fallow for crop rotation purposes.

(v) For the purpose of determining eligible acreage for prevented planting coverage, acreage for all units will be combined and be reduced by the number of cotton acres timely planted and late planted. For example, assume you have 100 acres eligible for prevented planting coverage in which you have a 100 percent share. The acreage is located in a single FSA farm serial number which you insure as two separate optional units consisting of 50 acres each. If you planted 60 acres of cotton on one optional unit and 40 acres of cotton on the second optional unit, your prevented planting eligible acreage would be reduced to zero (i.e., 100 acres eligible for prevented planting coverage minus 100 acres planted equals zero).

(5) In accordance with the provisions of section 6 (Report of Acreage) of the Basic Provisions, you must report by unit any insurable acreage that you were prevented from planting. This report must be submitted on or before the acreage reporting date. For the purpose of determining acreage eligible for a Prevented Planting Guarantee, the total amount of prevented planting and planted acres cannot exceed the maximum number of acres eligible for prevented planting coverage. Any acreage you report in excess of the number of acres eligible for prevented planting coverage, or that exceeds the number of eligible acres physically located in a unit, will be deleted from your acreage report.

Crop Revenue Coverage Insurance Policy

Coarse Grains Crop Provisions

This is a risk management program. This risk management tool may be reinsured under the authority provided by section 508(h) of the Federal Crop Insurance Act. If a conflict exists among the Crop Revenue Coverage Basic Provisions, these Coarse Grains Crop Provisions, and the Special Provisions, the Special Provisions will control these Coarse Grains Crop Provisions and the Basic Provisions and these Coarse Grains Crop Provisions will control the Basic Provisions.

1. Definitions

(a) Base price—Refer to the definition contained in the Commodity Exchange Endorsement—Coarse Grains.

(b) Calculated revenue—The production to count multiplied by the Harvest Price.

(c) Coarse grains—Corn, grain sorghum, and soybeans.

(d) Days—Calendar days.

(e) Final guarantee—The number of dollars guaranteed per acre determined to be the higher of the Minimum Guarantee or the Harvest Guarantee, where:

(1) Minimum Guarantee—the Approved Yield per acre multiplied by the Base Price multiplied by the coverage level percentage you elect.

(2) Harvest Guarantee—the Approved Yield per acre multiplied by the Harvest Price, multiplied by the coverage level percentage you elect.

(f) 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 Final Guarantee.

(g) Good farming practices—Good farming practices are the cultural practices generally in use in the county for the insured crop to make normal progress toward maturity and produce at least the yield used to determine the Final Guarantee and are those recognized by the Cooperative State Research, Education, and Extension Service as compatible with agronomic and weather conditions in the area.

(h) Grain sorghum—The crop defined as sorghum under the United States Grain Standards Act.

(i) Harvest—Combining, threshing, or picking the insured crop for grain.

(j) Harvest price—Refer to the definition contained in the Commodity Exchange Endorsement—Coarse Grains.

(k) 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.

(l) 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 Final Guarantee on the irrigated acreage planted to the insured crop.

(m) Late planted—Acreage planted to the insured crop during the late planting period.

(n) Late planting period—The period that begins the day after the final planting date for the insured crop and ends 25 days after the final planting date.

(o) Local market price—The cash grain price per bushel for U.S. No. 2 yellow corn, U.S. No. 2 grain sorghum, or U.S. No. 1 soybeans, offered by buyers in the area in which you normally market the insured crop. The local market price will reflect the maximum limits of quality deficiencies allowable for the U.S. No. 2 grade for yellow corn and grain sorghum, or U.S. No. 1 grade for soybeans. Factors not associated with grading under the Official United States Standards for Grain, including but not limited to protein and oil, will not be considered.

(p) 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 which has been properly prepared for the planting method and production practice. Coarse grains must initially be planted in rows to be considered planted. Corn must be planted in rows far enough apart to permit mechanical cultivation. Planting in any other manner will be considered as a failure to follow recognized good farming practices and any loss of production will not be insured unless otherwise provided by the Special Provisions.

(q) Practical to replant—In lieu of section 1(kk) of the Basic Provisions, 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.

(r) Prevented planting—Inability to plant the insured crop with proper equipment by the final planting date

designated in the Special Provisions for the insured crop in the county or the end of the late planting period. You must have been unable to plant the insured crop due to an insured cause of loss that has prevented the majority of producers in the surrounding area from planting the same crop.

(s) Prevented planting guarantee—The Prevented Planting Guarantee for such acreage will be that percentage of the Final Guarantee for timely planted acres as set forth in section 13(d).

(t) Replanting—Performing the cultural practices necessary to replace the seed of the same insured crop, and replacing the seed for the same crop in the insured acreage with the expectation of growing a successful crop.

(u) Silage—A product that results from severing the plant from the land and chopping it for the purpose of livestock feed.

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

2. Unit Division

Unless limited by the Special Provisions, a unit as defined in section 1(xx) of the Basic Provisions, may be divided into optional units if, for each optional unit you meet all the conditions of this section. All optional units must be reflected on the acreage report for each crop year.

(a) You must have records, which can be independently verified, of planted acreage and production for each optional unit for at least the last crop year used to determine your Final Guarantee;

(b) 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;

(c) You must have records of marketed production or measurement of stored production from each optional unit maintained in such a manner that we can verify the production from each optional unit or the production from each unit must be kept separate until after loss adjustment under the policy is completed; and

(d) Each optional unit must meet one or more of the following criteria as applicable:

(1) Optional Units by Section, Section Equivalent, or FSA Farm Serial Number: Optional units may be established if each optional unit is located in a separate legally identified section. In the absence of sections, we may consider parcels of land legally identified by other methods of measure including, but not limited to: Spanish grants, railroad surveys, leagues, labors, or Virginia

Military Lands as the equivalent of sections for unit purposes. In areas which have not been surveyed using the systems identified above or another system approved by us, or in areas where such systems exist but boundaries are not readily discernable, each optional unit must be located in a separate farm identified by a single FSA farm serial number.

(2) Optional Units on Acreage Including Both Irrigated and Non-Irrigated Practices: In addition to, or instead of, establishing optional units by section, section equivalent, or FSA farm serial number, optional units may be based on irrigated acreage or non-irrigated acreage if both are located in the same section, section equivalent, or FSA farm serial number. To qualify as separate irrigated and non-irrigated optional units, the non-irrigated acreage may not continue into the irrigated acreage in the same rows or planting pattern. The irrigated acreage may not extend beyond the point at which your irrigation system can deliver the quantity of water needed to produce the yield on which your Final Guarantee is based, except the corners of a field in which a center-pivot irrigation system is used will be considered as irrigated acreage if separate acceptable records of production from the corners are not provided. If the corners of a field in which a center-pivot irrigation system is used do not qualify as a separate non-irrigated optional unit, they will be a part of the unit containing the irrigated acreage. However, non-irrigated acreage that is not a part of a field in which a center-pivot irrigation system is used may qualify as a separate optional unit provided that all requirements of this section are met.

Basic units may not be divided into optional units on any basis including, but not limited to: production practice, type, variety, or planting period, other than as described above. If you do not comply fully with these provisions, we will combine all optional units which 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 on all optional units is determined to be inadvertent, and the optional units are combined, premium paid for the purpose of electing optional units will be refunded to you.

3. Coverage Level, Insurance Guarantee, Prices for Determining Indemnity

In addition to the requirements of section 3 (Coverage Level, Insurance

Guarantee, Prices for Determining Indemnity) of the Basic Provisions all the insurable acreage of each crop in the county insured as grain under this policy will have the same coverage level election.

4. Contract Changes

The contract change date is December 31 preceding the cancellation date (see the provisions of section 4 (Contract Changes) of the Basic Provisions).

5. Cancellation and Termination Dates

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

State and county	Cancellation and termination dates
(a) For corn and grain sorghum:	
Val Verde, Edwards, Kerr, Kendall, Bexar, Wilson, Karnes, Goliad, Victoria, and Jackson 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 lying south and east thereof to and including Terrell, Crockett, Sutton, Kimble, Gillespie, Blanco, Comal, Guadalupe, Gonzales, De Witt, Lavaca, Colorado, Wharton, and Matagorda Counties, Texas.	February 15.
Alabama; Arizona; Arkansas; California; Florida; Georgia; Louisiana; Mississippi; Nevada; North Carolina; and South Carolina.	February 28.
All other Texas counties and all other States	March 15.
(b) For soybeans:	
Jackson, Victoria, Goliad, Bee, Live Oak, McMullen, LaSalle, and Dimmit Counties, Texas and all Texas counties lying south thereof.	February 15.
Alabama; Arizona; Arkansas; California; Florida; Georgia; Louisiana; Mississippi; Nevada; North Carolina; and South Carolina; and 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 lying south and east thereof to and including Maverick, Zavala, Frio, Atascosa, Karnes, De Witt, Lavaca, Colorado, Wharton, and Matagorda Counties, Texas.	February 28.
All other Texas counties and all other States	March 15.

6. Insured Crop.

(a) In accordance with section 8 (Insured Crop) of the Basic Provisions, the crop insured will be each coarse grain crop you elect to insure for which premium rates and prices are provided by the County Actuarial Table:

- (1) In which you have a share;
- (2) That is adapted to the area based on days to maturity and is compatible with agronomic and weather conditions in the area, including air seeded soybeans subject to our approval;
- (3) That is not (unless allowed by the Special Provisions):

- (i) Interplanted with another crop; or
- (ii) Planted into an established grass or legume; and

(4) Planted for harvest as grain.
 (b) For corn only, in addition to the provisions of section 6(a), the corn crop insured will be all corn that is yellow dent or white corn, including mixed yellow and white, waxy, high-lysine corn, high-oil corn blends containing mixtures of at least ninety percent high

yielding yellow dent female plants with high-oil male pollinator plants, commercial varieties of high-protein hybrids, and excluding:

(1) High-amylose, high-oil except as defined in section 6(b), flint, flour, Indian, or blue corn, or a variety genetically adapted to provide forage for wildlife or any other open pollinated corn.

(2) A variety of corn adapted for silage use when the corn is reported for insurance as grain.

(c) For grain sorghum only, in addition to the provisions of section 6(a), the grain sorghum crop insured will be all of the grain sorghum in the county:

(1) That is planted for harvest as grain;

(2) That is a combine-type hybrid grain sorghum (grown from hybrid seed); and

(3) That is not a dual-purpose type of grain sorghum (a type used for both grain and forage).

(d) For soybeans only, in addition to the provisions of section 6(a), the soybean crop insured will be all of the soybeans in the county that are planted for harvest as beans.

7. Insurable Acreage

In addition to the provisions of section 9 (Insurable Acreage) of the Basic Provisions, any acreage of the insured crop damaged before the final planting date, to the extent that the remaining stand will not produce at least 90 percent of the Minimum Guarantee, must be replanted unless we agree that replanting is not practical (see section 1 "County actuarial table").

8. Insurance Period

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

(a) For corn insured as grain:	
(1) Val Verde, Edwards, Kerr, Kendall, Bexar, Wilson, Karnes, Goliad, Victoria, and Jackson Counties, Texas, and all Texas counties lying south thereof..	September 30.
(2) Clark, Cowlitz, Grays Harbor, Island, Jefferson, King, Kitsap, Lewis, Pierce, Skagit, Snohomish, Thurston, Wahkiakum, and Whatcom Counties, Washington.	October 31.
(3) All other counties and states	December 10.
(b) For grain sorghum:	
(1) Val Verde, Edwards, Kerr, Kendall, Bexar, Wilson, Karnes, Goliad, Victoria, and Jackson Counties, Texas, and all Texas counties lying south thereof..	September 30.
(2) All other Texas counties and all other states	December 10.
(c) For soybeans: All states	December 10.

9. Causes of Loss

In accordance with the provisions of section 12 (Causes of Loss) of the Basic Provisions insurance is provided only against an unavoidable loss of revenue due to the following causes of loss which occur within 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;
- (h) Failure of the irrigation water supply, if applicable, due to an unavoidable cause of loss occurring within the insurance period; or
- (i) A Harvest Price that is less than the Base Price.

10. Replanting Payments

(a) In accordance with section 13 (Replanting Payment) of the Basic Provisions, replanting payments for coarse grains are allowed if the coarse grains are damaged by an insurable cause of loss to the extent that the remaining stand will not produce at least 90 percent of the Minimum Guarantee for the acreage and it is practical to replant (see section 1 "Practical to replant").

(b) The maximum amount of the replanting payment per acre will be the lesser of 20 percent of the Minimum Guarantee or the number of bushels set out herein, multiplied by the Base Price, multiplied by your insured share or the share determined under section 10(c), if applicable. The number of bushels are 8 bushels for corn grain; 7 bushels for grain sorghum; and 3 bushels for soybeans.

(c) When more than one person insures the same crop on a share basis, a replanting payment based on the total shares insured by us may be made to the insured person who incurs the total cost of replanting. Payment will be made in this manner only if an agreement exists between the insured persons which:

- (1) Requires one person to incur the entire cost of replanting; or
- (2) Gives the right to all replanting payments to one person.

(d) When the insured crop is replanted using a practice that is uninsurable as an original planting, the Revenue Guarantee for the unit will be reduced by the amount of the replanting payment which is attributable to your share. The premium amount will not be reduced.

11. 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, if you initially discover damage to any insured crop within 15 days of or during harvest, you must leave representative samples of the unharvested crop for our inspection. The samples must be at least 10 feet wide, extend the entire length of each field in the unit, and 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.

12. Settlement of Claim

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

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

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

(b) In the event of loss or damage covered by this policy, we will settle your claim on any insured unit of Coarse Grains by:

(1) Multiplying the insured acreage of the crop by the Final Guarantee;

(2) Subtracting the Calculated Revenue from the result of section 12(b)(1); and

(3) Multiplying the result by your share.

If the result of 12(b)(3) is greater than zero, an indemnity will be paid. If the result of section 12(b)(3) is less than zero, no indemnity will be due.

(c) The total production in bushels to count from all insurable acreage for the crop on the unit will include:

(1) All appraised production as follows:

(i) Not less than that amount of production that when multiplied by the Harvest Price equals the Final Guarantee for the 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 records of production 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 12(d)); and

(iv) Potential production on insured acreage you want to put to another use or you wish to abandon and no longer care for, if you and we agree on the appraised amount of production. Upon such agreement the insurance period for that acreage will end if 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 you 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

(2) All harvested production from the insurable acreage.

(d) Mature coarse grain production may be adjusted for excess moisture and quality deficiencies. If moisture adjustment is applicable it will be made prior to any adjustment for quality.

(1) Production will be reduced by 0.12 percent for each 0.1 percentage point of moisture in excess of:

(i) Fifteen percent for corn (If moisture exceeds 30 percent, production will be reduced 0.2 percent for each 0.1 percentage point above 30 percent);

(ii) Fourteen percent for grain sorghum; and

(iii) Thirteen percent for soybeans.

We may obtain samples of the production to determine the moisture content.

(2) Production will be eligible for quality adjustment if:

(i) Deficiencies in quality, in accordance with the Official United States Standards for Grain, result in:

(A) Corn not meeting the grade requirements for U.S. No. 4 (grades U.S. No. 5 or worse) because of test weight or kernel damage (excluding heat damage) or having a musty, sour, or commercially objectionable foreign odor;

(B) Grain sorghum not meeting the grade requirements for U.S. No. 4

(grades U.S. Sample grade) because of test weight or kernel damage (excluding heat damage) or having a musty, sour, or commercially objectionable foreign odor (except smut odor), or meets the special grade requirements for smutty grain sorghum; or

(C) Soybeans not meeting the grade requirements for U.S. No. 4 (grades U.S. Sample grade) because of test weight or kernel damage (excluding heat damage) or having a musty, sour, or commercially objectionable foreign odor (except garlic odor), or which meet the special grade requirements for garlicky soybeans; or

(ii) Substances or conditions are present that are identified by the Food and Drug Administration or other public health organizations of the United States as being injurious to human or animal health.

(3) Quality will be a factor in determining your loss only if:

(i) The deficiencies, substances, or conditions resulted from a cause of loss against which insurance is provided under these crop provisions;

(ii) All determinations of these deficiencies, substances, or conditions are made using samples of the production obtained by us or by a disinterested third party approved by us; and

(iii) The samples are analyzed by a grader licensed under the authority of the United States Grain Standards Act or the United States Warehouse Act with regard to deficiencies in quality, or by a laboratory approved by us with regard to substances or conditions injurious to human or animal health. (Test weight for quality adjustment purposes may be determined by our loss adjuster).

(4) Coarse grain production that is eligible for quality adjustment, as specified in sections 12(d)(2) and 12(d)(3), will be reduced by the quality adjustment factor contained in the Special Provisions.

(e) Any production harvested from plants growing in the insured crop may be counted as production of the insured crop on a weight basis.

13. Late Planting and Prevented Planting

(a) Insurance will be provided for acreage planted to the insured crop during the late planting period (see section 13(c)), and acreage you were prevented from planting (see section 13(d)). These coverages provide reduced guarantees. The reduced guarantees will be combined with the Final Guarantee for timely planted acreage for each unit. The premium amount for late planted acreage and eligible prevented planting

acreage will be the same as that for timely planted acreage. If the amount of premium you are required to pay (gross premium less our subsidy) for late planted acreage or prevented planting acreage exceeds the liability on such acreage, coverage for those acres will not be provided (no premium will be due and no indemnity will be paid for such acreage). (For example, assume you insure one unit in which you have a 100 percent share. The unit consists of 150 acres, of which 50 acres were planted timely, 50 acres were planted 7 days after the final planting date (late planted), and 50 acres are unplanted and eligible for prevented planting coverage. To calculate the amount of any indemnity which may be due to you, the Final Guarantee for the unit will be computed as follows:

(1) For timely planted acreage, multiply the per acre Final Guarantee for timely planted acreage by the 50 acres planted timely;

(2) For late planted acreage, multiply the per acre Final Guarantee for timely planted acreage by 93 percent and multiply the result by the 50 acres planted late; and

(3) For prevented planting acreage, multiply the per acre Final Guarantee for timely planted acreage by:

(i) Fifty percent and multiply the result by the 50 acres you were prevented from planting, if the acreage is eligible for prevented planting coverage, and if the acreage is left idle for the crop year, or if a cover crop is planted not for harvest. Prevented planting compensation hereunder will not be denied because the cover crop is hayed or grazed; or

(ii) Twenty-five percent and multiply the result by the 50 acres you were prevented from planting, if the acreage is eligible for prevented planting coverage, and if you elect to plant a substitute crop for harvest after the 10th day following the final planting date for the insured crop. This subparagraph (ii) is not applicable and prevented planting coverage is not available hereunder, if you elected to exclude prevented planting coverage when a substitute crop is planted (see paragraph 13(d)(1)(iii)).

The total of the three calculations will be the Final Guarantee for the unit. Your premium will be based on the result of multiplying the per acre Minimum Guarantee for timely planted acreage by the 150 acres in the unit).

(b) If you were prevented from planting, you must provide written notice to us not later than the acreage reporting date.

(c) Late Planting

(1) For acreage planted to the insured crop after the final planting date but on or before 25 days after the final planting date, the Final Guarantee for each acre will be reduced for each day planted after the final planting date by:

(i) One percent for the first through the tenth day; and

(ii) Two percent for the eleventh through the twenty-fifth day.

(2) In addition to the requirements of section 6 (Report of Acreage) of the Basic Provisions, you must report the dates the acreage is planted within the late planting period.

(3) If planting of the insured crop continues after the final planting date, or you are prevented from planting during the late planting period, the acreage reporting date will be the later of:

(i) The acreage reporting date contained in the Special Provisions for the insured crop; or

(ii) Five (5) days after the end of the late planting period.

(d) Prevented Planting (Including Planting After the Late Planting Period).

(1) If you were prevented from planting the insured crop (see section 1 "Coverage"), you may elect:

(i) To plant the insured crop during the late planting period. The Final Guarantee for such acreage will be determined in accordance with section 13(c)(1);

(ii) Not to plant this acreage to any crop except a cover crop not for harvest. You may also elect to plant the insured crop after the late planting period. In either case, the Final Guarantee for such acreage will be 50 percent of the Final Guarantee for timely planted acres. For example, if your Final Guarantee for timely planted acreage is 200 dollars per acre, your prevented planting guarantee would be 100 dollars per acre (200 dollars multiplied by 0.50). If you elect to plant the insured crop after the late planting period, production to count for such acreage will be determined in accordance with sections 12(c) through 12(e); or

(iii) Not to plant the intended crop but plant a substitute crop for harvest, in which case:

(A) No Prevented Planting Guarantee will be provided for such acreage if the substitute crop is planted on or before the tenth day following the final planting date for the insured crop; or

(B) A Final Guarantee equal to 25 percent of the Final Guarantee for timely planted acres will be provided for such acreage, if the substitute crop is planted after the tenth day following the final planting date for the insured crop. (If you elected to exclude this coverage, and plant a substitute crop, no

prevented planting coverage will be provided.) For example, if your Final Guarantee for timely planted acreage is 200 dollars per acre, your Prevented Planting Guarantee would be 50 dollars per acre (200 dollars multiplied by 0.25). You may elect to exclude prevented planting coverage when a substitute crop is planted for harvest and receive a reduction in the applicable premium rate. If you wish to exclude this coverage, you must so indicate, on or before the sales closing date, on your application or on a form approved by us. Your election to exclude this coverage will remain in effect from year to year unless you notify us in writing on our form by the applicable sales closing date for the crop year for which you wish to include this coverage. All acreage of the crop insured under this policy will be subject to this exclusion.

(2) Proof may be required that you had the inputs available to plant and produce the intended crop with the expectation of at least producing the Final Guarantee.

(3) In addition to the provisions of section 11 (Insurance Period) of the Basic Provisions, the insurance period for prevented planting coverage begins:

(i) On the sales closing date contained in the Special Provisions for the insured crop in the county for the crop year the application for insurance is accepted; or

(ii) For any subsequent crop year, on the sales closing date for the insured crop in the county for the previous crop year, provided continuous coverage has been in effect since that date. For example: If you make application and purchase insurance for corn for the 1997 crop year, prevented planting coverage will begin on the 1997 sales closing date for corn in the county. If the corn coverage remains in effect for the 1998 crop year (is not terminated or canceled during or after the 1997 crop year, except that the policy may have been cancelled to transfer the policy to a different insurance provider, if there is no lapse in coverage), prevented planting coverage for the 1998 crop year began on the 1997 sales closing date.

(4) The acreage to which prevented planting coverage applies will not exceed the total eligible acreage on all Farm Service Agency (FSA) Farm Serial Numbers in which you have a share, adjusted for any reconstitution that may have occurred on or before the sales closing date. Eligible acreage for each FSA Farm Serial Number is determined as follows:

(i) If you participate in any program administered by the United States Department of Agriculture that limits the number of acres that may be planted

for the crop year, the acreage eligible for prevented planting coverage will not exceed the total acreage permitted to be planted to the insured crop.

(ii) If you do not participate in any program administered by the United States Department of Agriculture that limits the number of acres that may be planted, and unless we agree in writing on or before the sales closing date, eligible acreage will not exceed the greater of:

(A) The FSA base acreage for the insured crop, including acres that could be flexed from another crop, if applicable;

(B) The number of acres planted to the insured crop on the FSA Farm Serial Number during the previous crop year; or

(C) One hundred percent of the simple average of the number of acres planted to the insured crop during the crop years that you certified to determine your yield.

(iii) Acreage intended to be planted under an irrigated practice will be limited to the number of acres for which you had adequate irrigation facilities prior to the insured cause of loss which prevented you from planting.

(iv) Prevented planting coverage will not be provided for any acreage:

(A) That does not constitute at least 20 acres or 20 percent of the acreage in the unit, whichever is less (Acreage that is less than 20 acres or 20 percent of the acreage in the unit will be presumed to have been intended to be planted to the insured crop planted in the unit, unless you can show that you had the inputs available before the final planting date to plant and produce another insured crop on the acreage);

(B) For which the County Actuarial Table does not designate a premium rate;

(C) Used for conservation purposes or intended to be left unplanted under any program administered by the United States Department of Agriculture;

(D) On which another crop is prevented from being planted, if you have already received a prevented planting indemnity, or Final Guarantee for the same acreage in the same crop year, unless you provide adequate records of acreage and production showing that the acreage has a history of double-cropping in each of the last four years;

(E) On which the insured crop is prevented from being planted, if any other crop is planted and fails, or is planted and harvested, hayed or grazed on the same acreage in the same crop year, (other than a cover crop as specified in section 13(a)(3)(i), or a substitute crop allowed in section

13(a)(3)(ii)), unless you provide adequate records of acreage and production showing that the acreage has a history of double-cropping in each of the last four years; or

(F) For which planting history or conservation plans indicate that the acreage would have remained fallow for crop rotation purposes.

(v) For the purpose of determining eligible acreage for prevented planting coverage, acreage for all units will be combined and be reduced by the number of acres of the insured crop timely planted and late planted. For example, assume you have 100 acres eligible for prevented planting coverage in which you have a 100 percent share. The acreage is located in a single FSA farm serial number which you insure as two separate optional units consisting of 50 acres each. If you planted 60 acres of the insured crop on one optional unit and 40 acres of the insured crop on the second optional unit, your prevented planting eligible acreage would be reduced to zero (i.e., 100 acres eligible for prevented planting coverage minus 100 acres planted equals zero).

(5) In accordance with the provisions of section 6 (Report of Acreage) of the Basic Provisions, you must report by unit any insurable acreage that you were prevented from planting. This report must be submitted on or before the acreage reporting date. For the purpose of determining acreage eligible for a Prevented Planting Guarantee, the total amount of prevented planting and planted acres cannot exceed the maximum number of acres eligible for prevented planting coverage. Any acreage you report in excess of the number of acres eligible for prevented planting coverage, or that exceeds the number of eligible acres physically located in a unit, will be deleted from your acreage report.

The terms and provisions for the 1997 CRC wheat program of insurance are as follows:

Crop Revenue Coverage Insurance Policy

(This is a continuous policy for the 1997–1998 crop years only. Refer to section 2.)

This policy is reinsured by the Federal Crop Insurance Corporation (FCIC) under the provisions of the Federal Crop Insurance Act, as amended (the Act) (7 U.S.C. 1501 et seq.). All the provisions of the policy and rights and responsibilities of the parties are specifically subject to the Act. The provisions of the policy may not be waived or varied in any way by the crop insurance agent or any other agent or employee of the Company. In the event

we cannot pay your loss, your claim will be settled in accordance with the provisions of this policy and paid by the FCIC. No state guarantee fund will be liable to pay your loss. Throughout this policy, "you" and "your" refer to the named insured shown on the accepted application and "we", "us" and "our" refer to the Company. Unless the context indicates otherwise, use of the plural form of a word includes the singular and use of the singular form of the word includes the plural.

Agreement To Insure: In return for the payment of the premium, and subject to all of the provisions of this policy, we agree with you to provide the insurance as stated in this policy. If a conflict exists between the Basic Provisions contained herein and the specific Crop Provisions, the Crop Provisions will control.

Basic Provisions

Terms and Conditions

1. **Definitions.** As used in this policy these terms are defined as follows:

(a) **Abandon**—Failure to continue providing sufficient care (For example, cultivation, irrigation, fertilization, application of chemicals, etc., consistent with good farming practices) for the insured crop to make normal progress toward harvest or maturity, or failure to harvest in a timely manner.

(b) **Acreage report**—A report required by section 6 of these basic provisions which contains, in addition to other required information, your report of your share of all acreage of an insured crop in the county whether insurable or not insurable. This report must be filed not later than the final acreage reporting date contained in the Special Provisions for the county for the insured crop.

(c) **Acreage reporting date**—The date (contained in the Special Provisions) by which you are required to submit your acreage reports.

(d) **Another use, notice of**—The written notice required when you wish to put acreage to another use (see section 14).

(e) **Application**—The form required to be completed by you and accepted by us before insurance coverage will commence. This form must be completed and filed in your agent's office not later than the sales closing date of the initial insurance year for each crop for which insurance coverage is requested. If a break in insurance coverage occurs, a new application must be filed.

(f) **Approved yield**—The average amount of production per acre obtained under the Actual Production History Program (7 CFR part 400, subpart G)

using production records of the insured or yields assigned by FCIC. At least four crop years of yields must be averaged to obtain the approved yield.

(g) **Assignment of indemnity**—A transfer of policy rights, made on our form, and effective when approved by us. It is the arrangement whereby you assign your right to an indemnity payment to any party of your choice for the crop year.

(h) **CRC revenue rate**—A premium rate as set forth in the Crop Revenue Coverage (CRC) Factor Table used to calculate the risk associated with producing a level of production.

(i) **CRC low price factor**—A premium factor as set forth in the Crop Revenue Coverage (CRC) Factor Table used to calculate the risk associated with a decrease in the Harvest Price relative to the Base Price.

(j) **CRC high price factor**—A premium factor as set forth in the Crop Revenue Coverage (CRC) Factor Table used to calculate the risk associated with an increase in the Harvest Price relative to the Base Price.

(k) **Cancellation date**—The calendar date specified in each Crop Provision on which that Crop Provision will automatically renew unless canceled in writing by either you or us.

(l) **Claim for indemnity**—A claim made on our form by you for damage or loss to an insured crop and submitted to us not later than 60 days after the end of the insurance period (see section 14).

(m) **Commodity exchange endorsement**—An endorsement to the crop provisions that contains the specific price determination provisions of insurance for each insured crop.

(n) **Consent**—Approval in writing by us allowing you to take a specific action.

(o) **Contract (also see Policy)**—A contract for insurance between you and us consisting of the accepted Application, these Basic Provisions, the Crop Provisions, the Special Provisions, the County Actuarial Table for the insured crops, and the applicable regulations as published at 7 C.F.R. part 400.

(p) **Contract change date**—The calendar date by which we make any contract (policy language or program date) changes available for inspection in the agent's office (see section 4).

(q) **County**—The county or other political subdivision shown on your accepted application.

(r) **County actuarial table**—The forms and related material for the crop year which show coverage levels, premium rates, practices, insurable acreage, and other related information regarding crop insurance in the county.

(s) **County actuarial table endorsement**—An endorsement to the county actuarial table that modifies specific information of county actuarial table for each insured crop.

(t) **Coverage**—The insurance provided by this policy, against insured loss of revenue by unit as shown on your summary of coverage.

(u) **Coverage begins, date**—The calendar date insurance begins on the insured crop, as contained in the Crop Provisions, or the date after planting is started on the unit (see section 11).

(v) **Crop provisions**—The part of the policy that contains the specific provisions of insurance for each insured crop.

(w) **Crop year**—The period within which the insured crop is normally grown and designated by the calendar year in which the insured crop is normally harvested.

(x) **Damage**—Injury, deterioration, or loss of production of the insured crop due to insured or uninsured causes.

(y) **Damage, notice of**—A written notice required to be filed in your agent's office whenever you initially discover the insured crop has been damaged to the extent that a loss is probable (see section 14).

(z) **Delinquent account**—Any account you have with us in which premiums, or interest on those premiums is not paid by the termination date specified in the crop provisions, or any other amounts due us, such as indemnities found not to have been earned, which are not paid within 30 days of our mailing or other delivery of notification to you of the amount due.

(aa) **Earliest planting date**—The earliest date established for planting the insured crop and qualifying for a replant payment if applicable (see Special Provisions and section 13).

(bb) **End of insurance period, date of**—The date upon which your crop insurance coverage ceases for the crop year (see Crop Provisions and section 11).

(cc) **Final guarantee**—The guaranteed dollar amount per acre of the insured crop on the unit.

(dd) **FSA**—The Farm Service Agency of the United States Department of Agriculture (formerly the Agricultural Stabilization and Conservation Service).

(ee) **FSA farm serial number**—The number assigned to the farm by the FSA county committee.

(ff) **Insured**—The named person as shown on the Application accepted by us. This term does not extend to any other person having a share or interest in the crop (for example, a partnership, landlord, or any other person) unless specifically indicated on the accepted

application (see definition of Person section 1).

(gg) Insured crop—The crop defined under these Basic Provisions and the applicable Crop Provisions as shown on the application accepted by us.

(hh) Late planting agreement option—Available on selected crops. An amendment to the insurance policy which, when planting has been delayed, provides insurance coverage for acreage of an insured crop planted after the final planting date shown on the Special Provisions in exchange for a reduction in coverage.

(ii) Loss, notice of—The notice required to be given by you not later than 72 hours after certain occurrences or 15 days after the end of the insurance period (see section 14).

(jj) Negligence—The failure to use such care as a reasonably prudent and careful person would use under similar circumstances.

(kk) Person—An individual, partnership, association, corporation, estate, trust, or other legal entity, and wherever applicable, a State or a political subdivision or agency of a State.

(ll) Policy—(also see Contract) The Basic Provisions for insuring a specific crop, included as part of the insurance contract.

(mm) Practical to replant—Our determination, after loss or damage to the insured crop, based upon all factors, including, but not limited to moisture availability, condition of the field, time to crop maturity, etc., on the feasibility of replanting and harvesting the insured crop. It is not practical to replant after the final planting date (for crops without an offered Late Planting Agreement Option) or after 20 days after the final planting date (for crops with an offered Late Planting Agreement Option).

(nn) Premium billing date—The earliest date upon which you will be billed for insurance coverage based on your acreage report and which generally falls at or near harvest time.

(oo) Production report—A written record showing your annual production and used by us to determine your yield for insurance purposes (see section 3). The report contains previous years yield information including planted acreage and harvested production. This report must be supported by written verifiable records from a warehouseman or buyer of the insured crop or by measurement of farm stored production, or by other records of production approved by us on an individual case basis.

(pp) Reporting date—The acreage reporting date (contained in the Special Provisions) by which you are required

to report all your insurable acreage in the county in which you have a share and your share at the time insurance attaches, and any acreage in which you have a share which is not insured (see section 9).

(qq) Representative sample—Portions of the insured crop or insured crop residue which are required to remain in the field for examination and review by our loss adjusters when making a crop appraisal if required by the crop provisions. The samples are further defined in the crop provisions.

(rr) Sales closing date—The date contained in the Special Provisions which is the final date when an application may be filed. This is the last date for you to make changes in your crop insurance coverage for the crop year.

(ss) Section (for the purposes of unit structure)—A unit of measure under a rectangular survey system describing a tract of land usually one mile square and usually containing approximately 640 acres.

(tt) Share—Your percentage of interest in the insured crop as an owner, operator, or tenant at the time coverage begins. However, only for the purpose of determining the amount of indemnity, your share will not exceed your share at the earlier of the time of loss or the beginning of harvest. Unless the accepted Application clearly indicates that insurance is requested for a partnership or joint venture, or is intended to cover the landlord's, or tenant's share of the crop (see section 10), insurance will only cover the crop share of the person completing the Application. The share will not extend to any other person having an interest in the crop except as may otherwise be specifically allowed in this policy. We may consider any acreage or interest reported by or for your spouse, child or any member of your household to be your share. Leases containing provisions for both a cash or minimum payment and a crop share will be considered a crop share lease.

(uu) Special provisions—The part of the policy that contains specific provisions of insurance for each insured crop that may vary by geographic area.

(vv) State—The state shown on your accepted application.

(ww) Summary of coverage—Our statement to you, based upon your acreage report, by unit, specifying the insured crop and the final guarantee or amount of insurance coverage provided.

(xx) Tenant—A person who rents land from another person for a share of the crop or a share of the proceeds of the crop (see the definition of "Share" above).

(yy) Termination date—The calendar date contained in the Crop Provisions upon which your policy ceases for nonpayment of premium or any other amount due us under the policy.

(zz) Unit—All insurable acreage of the insured crop in the county on the date coverage begins for the crop year:

(1) in which you have a 100 percent share; or

(2) which is owned by one entity and operated by another specific entity on a share basis. (For example, if, in addition to the land you own, you rent land from five landlords, three on a crop share basis and two on a cash basis, you would be entitled to four units, one for each crop share lease and one for the two cash leases and the land you own). Land rented for cash, a fixed commodity payment, or a consideration other than a share in the insured crop on such land will be considered as owned by the lessee (see "Share" above). Land which would otherwise be one unit may, in certain instances, be divided according to guidelines contained in the applicable crop provisions. Units will be determined when the acreage is reported but may be adjusted or combined to reflect the actual unit structure when adjusting a loss. However, no further division may be made after the acreage report date for any reason.

2. Life of Policy, Cancellation and Termination. (a) This continuous policy will be in effect for the 1997 and 1998 crop years only. After acceptance of the application, you may not cancel this policy the initial crop year. Thereafter, the policy will continue in force for the succeeding crop year unless canceled or terminated as provided below.

(b) Either you or we may cancel this policy after the initial crop year by providing written notice to the other on or before the cancellation date shown in the Crop Provisions.

(c) All policies issued by us under the authority of the Act will terminate as of the coincidental or next termination date contained in these policies if any amount due us is not paid on or before the termination date for the crop on which the amount is due. Such unpaid debts will also make you ineligible for any crop insurance provided under the Act until payment is made. If we deduct any amount due us from an indemnity, the date of payment for the purpose of this section (2(c)) will be the date you sign the properly completed claim for indemnity.

(d) If you die, disappear, or are judicially declared incompetent, or if you are an entity other than an individual and such entity is dissolved, the policy will terminate as of the date

of death, judicial declaration, or dissolution. If such event occurs after coverage begins for any crop year, the policy will continue in force through the crop year and terminate at the end of the insurance period and any indemnity will be paid to the person or persons determined to be beneficially entitled to the indemnity. Death of a partner in a partnership will dissolve the partnership unless the partnership agreement provides otherwise. If two or more persons having a joint interest are insured jointly, death of one of the persons will dissolve the joint entity.

(e) Your policy will terminate if no premium is earned for 3 consecutive years.

(f) The cancellation and termination dates are contained in the Crop Provisions.

(g) You are not eligible to participate in the Crop Revenue Coverage program if you are identified in the Non-standard Classification System or have elected the catastrophic risk protection policy.

(h) If you execute a High Risk Land Exclusion Option for a Crop Revenue Coverage policy, you may elect to insure the "high risk land" under a catastrophic risk protection policy. If both policies are in force, the acreage of the crop covered under the Crop Revenue Coverage policy and the acreage covered under the catastrophic risk protection policy will be considered as separate crops for insurance purposes including the payment of administrative fees.

3. Coverage Level. (a) For each crop year the coverage level by which an indemnity will be determined for each unit will be that shown on your summary of coverage. The information necessary to determine those amounts will be contained in the Special Provisions or in the County Actuarial Table.

(b) You may select only one coverage level offered by us for each insured crop. By written notice to us you may change the coverage level for the following crop year not later than the sales closing date for the affected insured crop. If you do not change the coverage level for the succeeding crop year you will be assigned the same coverage level that was in effect the previous crop year.

(c) You must elect at least the fifty (50) percent coverage to be in compliance with section 508(b)(7) of the Act, as amended, or execute a waiver of your eligibility for any emergency assistance, except emergency loans under section 371 of the Consolidated Farm and Rural Development Act.

(d) You must report production to us for the previous crop year by the earlier

of the acreage reporting date or 45 days after the cancellation date. If you do not provide the required production report, we will assign a yield for the previous crop year. The yield assigned by us will not be more than 75% of the yield used by us to determine your coverage for the previous crop year. The production report or assigned yield will be used to compute your production history for the purpose of determining your coverage for the current crop year. If you have filed a claim for any crop year, the production used to determine the indemnity payment will be the production report for that year.

(e) We may revise your final guarantee for any farm unit, and revise any indemnity paid based on that final guarantee, if we find that your production report under section 3(c) above:

(1) is not supported by written verifiable records (see section 1(o) Production Report); or

(2) fails to accurately report actual production.

4. Contract Changes. We may change the coverage under this policy from year to year. Your crop insurance agent will have changes in policy provisions and program dates by the contract change date contained in the Crop Provisions. Your crop insurance agent will have changes in maximum amounts of insurance and premium rates 15 days before the cancellation date contained in the Crop Provisions. In addition, you will be notified, in writing, of these changes. Such notification will be made at least 30 days prior to the cancellation date of the insured crop for policy and program date changes, and 15 days prior to the cancellation date of the insured crop for changes in the maximum amounts of insurance and premium rates.

5. Liberalization. If we adopt any revisions which would broaden the coverage under this policy subsequent to the contract change date without additional premium, the broadened coverage will apply.

6. Report of Acreage. (a) An annual acreage report must be submitted to us on our form for each insured crop in the county on or before the acreage reporting date shown in the Special Provisions. This report must include the following information, if applicable:

(1) all acreage of the crop (insurable and not insured) in which you have a share;

(2) your share at the time coverage begins;

(3) the practice;

(4) the type; and

(5) the date the insured crop was planted.

(b) If you do not have a share in any insured crop in the county for the crop year, you must submit an acreage report so indicating.

(c) Because incorrect reporting on the acreage report may have the effect of changing your premium and any indemnity which may be due, you may not revise this report after the acreage reporting date without our consent.

(d) We may elect to determine all premiums and indemnities based on the information you submit on the acreage report or upon the factual circumstances which we determine to have actually existed.

(e) If you do not submit an acreage report by the acreage reporting date, or if you fail to report all units, we may elect to determine by unit the insurable crop acreage, share, type and practice or deny liability on any unit.

(f) If the information reported by you on the acreage report for a unit results in a lower premium than the actual premium determined to be due on the basis of the share, acreage, practice, type or other material information determined to actually exist, the final guarantee or amount of insurance on the unit will be reduced proportionately. In the event that acreage is under-reported, all production or value from insurable acreage for the unit, whether or not reported as insurable, will be considered production or value to count in determining the indemnity.

(g) Errors in reporting units may be corrected by us to reduce our liability and to conform to applicable unit division guidelines at the time of adjusting a loss.

7. Annual Premium. (a) The annual premium is earned and payable at the time coverage begins. You will be billed for premium due not earlier than the billing date specified in the Special Provisions. The premium due, plus any accrued interest, will be considered delinquent if any amount due us is not paid on or before the termination date specified in the Crop Provisions.

(b) Any amount due us will be deducted from any replant payment or indemnity due you under the provisions of this policy.

(c) The annual premium amount is determined by:

(1) Multiplying the approved yield times the coverage level, times the base rate specified in the County Actuarial Table, times the Base Price as defined in the Crop Provisions;

(2) Multiplying the approved yield times the coverage level, times the CRC Revenue Rate specified in the CRC Factor Table, times the CRC Low Price Factor specified in the CRC Factor Table;

(3) Multiplying the approved yield times the coverage level, times the base rate specified in the County Actuarial Table, times the CRC high price factor specified in the CRC Factor Table;

(4) Adding items (1), (2), and (3) together;

(5) Multiplying the result of item (4) above times the acres insured, times your share at the time coverage begins, and as applicable, times any Rate Map Adjustment factor; Rate Class Option factor and; Option factor specified in the County Actuarial Table;

(6) Multiplying the approved yield times the coverage level, times the base rate specified in the County Actuarial Table, times the MPCI Market Price Election, times the insured acres, times your share at the time coverage begins, and as applicable, times any Rate Map Adjustment factor; Rate Class Option factor and; Option factor specified in the County Actuarial Table, and times the applicable producer subsidy percentage to calculate the appropriate amount of subsidy. The producer subsidy percentage is based upon the coverage level as follows:

75%=0.235

70%=0.319

65%=0.417

60%=0.412

55%=0.503

50%=0.600

(7) Subtracting item (6) from item (5) above to determine the annual producer paid premium.

8. *Insured Crop.* (a) The insured crop will be that shown on your accepted application and as specified in the Crop Provisions and must be grown on insurable acreage.

(b) A crop which will NOT be insured will include, but will not be limited to, any crop:

(1) if the farming practices carried out are not in accordance with the farming practices for which the premium rates and amounts of insurance have been established;

(2) initially planted after the final planting date, unless we allow and you agree in writing on our form, to a coverage reduction (this Late Planting Agreement Option is available only on selected crops);

(3) of a type, class or variety established as not adapted to the area or excluded by the Special Provisions;

(4) that is a volunteer crop;

(5) that is a second crop following the same crop (insured or not insured) harvested in the same crop year unless specifically permitted by the Crop Provisions or the Special Provisions;

(6) which is planted for the development or production of hybrid

seed or for experimental purposes, unless permitted by the Crop Provisions or unless we agree, in writing, to insure such crop; or

(7) used for wildlife protection or management.

9. *Insurable Acreage.* (a) Acreage planted to the insured crop in which you have a share is insurable unless it is acreage:

(1) on which a crop has not been planted or harvested in at least one of the three previous crop years, unless FSA classifies such acreage as cropland;

(2) which has been strip-mined, unless we agree in writing to insure such acreage;

(3) on which the insured crop is damaged and it is practical to replant the insured crop, but the insured crop is not replanted;

(4) which is planted with a crop other than the insured crop, unless allowed by the Crop Provisions; or

(5) which is otherwise restricted by the Crop Provisions or Special Provisions.

(b) If insurance is provided for an irrigated practice, you must report as irrigated only that acreage for which you have adequate facilities and water, at the time coverage begins, to carry out a good irrigation practice.

(c) If acreage is irrigated and we do not provide a premium rate for an irrigated practice, you may either report and insure the irrigated acreage as "nonirrigated," or report the irrigated acreage as not insured.

(d) We may restrict the amount of acreage which we will insure to the amount allowed under any acreage limitation program established by the United States Department of Agriculture (USDA) if we notify you of that restriction prior to the sales closing date.

10. *Share Insured.* (a) You may only insure your share as defined in section 1. "Share") above.

(b) You as a landlord (or tenant) may insure your tenant's (or landlord's) share of the crop if evidence of the other party's approval of that insurance is demonstrated (Lease, Power of Attorney, etc.). The respective shares must be clearly set out on the acreage report and a copy of the other party's approval must be retained by us.

11. *Insurance Period.* Coverage begins on each unit or part of a unit the later of the date you submit your application, when the insured crop is planted, or on the calendar date for the beginning of the insurance period if specified in the Crop Provisions, and ends at the earliest of:

(a) total destruction of the insured crop on the unit;

(b) harvest of the unit;

(c) final adjustment of a loss on a unit;

(d) the calendar date for the end of the insurance period contained in the Crop Provisions;

(e) abandonment of the crop on the unit; or

(f) as otherwise specified in the Crop Provisions.

12. *Causes of Loss.* The insurance provided is against only unavoidable loss of revenue directly caused by specific causes of loss contained in the Crop Provisions. All other causes of loss, including but not limited to the following, are NOT covered:

(a) negligence, mismanagement, or wrongdoing by you, any member of your family or household, your tenants, or employees;

(b) the failure to follow recognized good farming practices for the insured crop;

(c) water contained by any governmental, public, or private dam or reservoir project;

(d) failure or breakdown of irrigation equipment or facilities; or

(e) failure to carry out a good irrigation practice for the insured crop if applicable.

13. *Replanting Payment.* (a) If allowed by the Crop Provisions, a replanting payment may be made on an insured crop replanted after we have given consent and the acreage replanted is at least the lesser of 20 acres or 20 percent of the insured acreage for the unit (as determined on the final planting date).

(b) No replanting payment will be made on acreage:

(1) on which our appraisal establishes that production will exceed the level set by the Crop Provisions;

(2) initially planted prior to the date established by the Special Provisions; or

(3) on which one replanting payment has already been allowed for the crop year.

(c) The replanting payment per acre will be your actual cost for replanting, but will not exceed the amount determined in accordance with the Crop Provisions.

(d) If the information reported by you on the acreage report results in a lower premium than the actual premium determined to be due based on the acreage, share, practice, or type determined actually to have existed, the replanting payment will be reduced proportionately.

(e) No replanting payment will be paid for replanting any crop if we determine it is not practical to replant (see section 1(mm)).

14. *Duties in the Event of Damage or Loss.* Your Duties: (a) In case of damage to any insured crop you must:

(1) protect the crop from further damage by providing sufficient care;

(2) give us notice within 72 hours of your initial discovery of damage (but not later than 15 days after the end of the insurance period), by unit, for each insured crop; and

(3) leave representative samples intact for each field of the damaged unit as may be required by the Crop Provisions.

(b) You must obtain consent from us before, and notify us after you:

(1) destroy any of the insured crop which is not harvested;

(2) put the insured crop to an alternative use;

(3) put the acreage to another use; or

(4) abandon any portion of the insured crop.

We will not give such consent if it is practical to replant the crop or until we have made an appraisal of the potential production of the crop.

(c) In addition to complying with all other notice requirements, you must submit a claim for indemnity declaring the amount of your loss not later than 60 days after the end of the insurance period. This claim must include all the information we require to settle the claim.

(d) Upon our request, you must:

(1) provide a complete harvesting and marketing record of each insured crop by unit including separate records showing the same information for production from any acreage not insured; and

(2) submit to examination under oath.

(e) You must establish the total production or value received for the insured crop on the unit and that any loss of production or value has been directly caused by one or more of the insured causes (see Crop Provisions) during the insurance period.

(f) All notices required in section 14 that must be received by us within 72 hours may be made by telephone or in person to your crop insurance agent but must be confirmed in writing within 15 days.

Our Duties:

(a) If you have complied with all the policy provisions we will pay your loss within 30 days after:

(1) we reach agreement with you; or

(2) the entry of a final judgment by a court of competent jurisdiction.

(b) In the event we are unable to pay your loss within 30 days, we will give you notice of our intentions within the 30 day period.

(c) We may defer the adjustment of a loss until the amount of loss can be accurately determined. We will not pay for additional damage resulting from your failure to provide sufficient care for the crop during the deferral period.

(d) We recognize and apply the loss adjustment procedures established or approved by FCIC.

15. *Production Included in Determining Indemnities.* (a) The total production to be counted for a unit will include all production determined in accordance with the Crop Provisions.

(b) The amount of production of any unharvested insured crop may be determined on the basis of our field appraisals conducted after the end of the insurance period.

16. *Crops as Payment.* You must not abandon any crop to us. We will not accept any crop as compensation for payments due us.

17. *Arbitration.* If you and we fail to agree on any factual determination, disagreement will be resolved in accordance with the rules of the American Arbitration Association. Failure to agree with any factual determination made by FCIC must be resolved pursuant to 7 CFR part 11.

18. *Access to Insured Crop and Record Retention.* (a) We reserve the right to examine the insured crop as often as we reasonably require.

(b) For three years after the end of the crop year, you must retain, and provide upon our request, complete records of the harvesting, storage, shipment, sale, or other disposition of all the insured crop produced on each unit. This requirement also applies to the records used to establish the basis for the production report for each unit. You must also upon our request, provide separate records showing the same information for production from any acreage not insured. We may extend the record retention period beyond three years by notifying you of such extension in writing. Your failure to keep and maintain such records may, at our option, result in:

(1) cancellation of the policy;

(2) assignment of production to units by us; or

(3) a determination that no indemnity is due.

(c) Any person designated by us will, at any time during the record retention period, have access:

(1) to any records relating to this insurance at any location where such records may be found or maintained; and

(2) to the farm.

(d) By applying for insurance under the Act or by continuing insurance previously applied for, you authorize us, or any person acting for us, to obtain records relating to the insured crop from any person who may have custody of those records including, but not limited to, county FSA offices, banks, warehouses, gins, cooperatives,

marketing associations, accountants, etc. You must assist us in obtaining all records which we request from third parties.

19. *Other Insurance.* (a) Other Like Insurance.

You must not obtain any other crop insurance issued under the authority of the Act on your share of the insured crop. If we determine that more than one policy on your share is intentional, you may be subject to the fraud provisions under this policy. If we determine that the violation was not intentional, the policy with the earliest date of application will be in force and all other policies will be void. Nothing in this section (19(a)) prevents you from obtaining other insurance not issued under the Act.

(b) Other Insurance Against Fire.

If you have other insurance, whether valid or not, against damage to the insured crop by fire during the insurance period we will be liable for loss for the smaller of:

(1) the amount of indemnity determined pursuant to this policy without regard to any other insurance; or

(2) the amount by which the loss is determined to exceed the indemnity paid or payable under such other insurance.

For the purpose of this section (19(b)(2)), the amount of loss will be the reduction in revenue of the insured crop on the unit involved determined pursuant this policy.

20. *Conformity to Food Security Act.* Although your violation of a number of federal statutes, including the Act, may cause cancellation, termination, or voidance of your insurance contract, you should be aware that your policy will be canceled if you are determined to be ineligible to receive benefits under the Act due to violation of the Controlled Substance Provision (Title XVII) of the Food Security Act of 1985 (Pub. L. 99-198), as amended, and the regulations promulgated under the Act by the USDA. Your insurance policy will be canceled if you are determined, by the appropriate USDA Agency, to be in violation of these provisions. We will recover any and all monies paid to you or received by you and your premium will be refunded.

21. *Amounts Due Us.* (a) Interest will accrue at the rate of one and one-fourth percent (1¼%) simple interest per calendar month, or any part thereof, on any unpaid amount due us. For the purpose of premium amounts due us, interest will start on the first day of the month following the premium billing date specified in the Special Provisions.

(b) For the purpose of any other amounts due us, such as repayment of indemnities found not to have been earned, interest will start on the date that notice is issued to you for the collection of the unearned amount. Amounts found due under this section (21(b)) will not be charged interest if payment is made within 30 days of issuance of the notice by us. The amount will be considered delinquent if not paid within 30 days of the date the notice is issued by us.

(c) All amounts paid will be applied first to expenses of collection (see section 21(d) below) if any, second, to the reduction of accrued interest, and then to the principal balance.

(d) If we determine that it is necessary to contract with a collection agency or to employ an attorney to assist in collection, you agree to pay all of the expenses of collection. Those expenses will be paid before the application of any amounts to interest or principal.

22. *Legal Action Against Us.* (a) You may not bring legal action against us unless you have complied with all of the policy provisions.

(b) If you do take legal action against us you must do so within 12 months of the date of denial of the claim. Suit must be brought in accordance with the provisions of 7 U.S.C. 1508(c).

(c) Your right to recover damages (compensatory, punitive, or other), attorney's fees, or other charges is limited or excluded by this contract or by Federal Regulations.

23. *Payment and Interest Limitations.*

(a) Under no circumstances will we be liable for the payment of damages (compensatory, punitive, or other), attorney's fees, or other charges in connection with any claim for indemnity, whether we approve or disapprove such claim.

(b) We will pay simple interest computed on the net indemnity ultimately found to be due by us or by a final judgment of a court of competent jurisdiction, from and including the 61st day after the date you sign, date, and submit to us the properly completed claim on our form. Interest will be paid only if the reason for our failure to timely pay is NOT due to your failure to provide information or other material necessary for the computation or payment of the indemnity. The interest rate will be that established by the Secretary of the Treasury under Section 12 of the Contract Disputes Act of 1978 (41 U.S.C. 611), and published in the **Federal Register** semiannually on or about January 1 and July 1 of each year and may vary with each publication.

24. *Concealment, Misrepresentation or Fraud.* This policy will be void in the

event you have falsely or fraudulently concealed either the fact that you are restricted from receiving benefits under the Federal Crop Insurance Act or that action is pending which may restrict your eligibility to receive such benefits. We will also void this policy if you or anyone assisting you has intentionally concealed or misrepresented any material fact relating to this or any other FCIC or FCIC reinsured policy. This voidance will not affect your obligation to pay premiums or waive any of our rights under this policy, including the right to collect any amount due us. The voidance will be effective as of the time coverage began for the crop year within which such act occurred.

25. *Transfer of Coverage and Right to Indemnity.* If you transfer any part of your share during the crop year, you may transfer your coverage rights. The transfer must be on our form and approved by us. Both you and the person to whom you transfer your interest are jointly and severally liable for the payment of the premium. The transferee has all rights and responsibilities under this policy consistent with the transferee's interest.

26. *Assignment of Indemnity.* You may assign to another party your right to an indemnity for the crop year. The assignment must be on our form and will not be effective until approved in writing by us. The assignee will have the right to submit all loss notices and forms as required by the policy.

27. *Subrogation (Recovery of Loss From a Third Party).* Because you may be able to recover all or a part of your loss from someone other than us, you must do all you can to preserve this right. If we pay you for your loss, your right to recovery will, at our option, belong to us. If we recover more than we paid you plus our expenses, the excess will be paid to you.

28. *Descriptive Headings.* The descriptive headings of the various policy provisions are formulated for convenience only and are not intended to affect the construction or meaning of any of the policy provisions.

29. *Notices.* All notices required to be given by you must be in writing and received by your crop insurance agent within the designated time unless otherwise provided by the notice requirement. Notices required to be given immediately may be by telephone or in person and confirmed in writing. Time of the notice will be determined by the time of our receipt of the written notice. If the date by which you are required to submit a report or notice falls on Saturday, Sunday, or a Federal holiday, or, if your agent's office is, for any reason, not open for business on the

date you are required to submit such notice or report, such notice or report must be submitted on the next business day. All notices and communications required to be sent by us to you will be mailed to the address contained in your records located with your crop insurance agent. You should advise us immediately of any change of address.

Crop Revenue Coverage

Wheat Provisions

This is a risk management program. This risk management tool will be insured under the authority provided by the Federal Crop Insurance Act, as amended. If a conflict exists among the Crop Revenue Coverage Policy, these Crop Provisions, and the Special Provisions, the Special Provisions will control these Crop Provisions and the Crop Revenue Coverage Policy and these Crop Provisions will control the Crop Revenue Coverage policy.

1. Definitions

(a) Adequate stand—A population of live plants per unit of acreage which will produce at least the yield used to establish your Minimum Guarantee.

(b) Average daily settlement price—see the appropriate definition contained in the Commodity Exchange Endorsement to this policy.

(c) Base price—see the appropriate definition contained in the Commodity Exchange Endorsement to this policy.

(d) Calculated revenue—the production to count multiplied by the Harvest Price.

(e) Days—calendar days.

(f) Final guarantee—The number of dollars guaranteed per acre determined as the higher of the Minimum Guarantee or the Harvest Guarantee; defined as:

(1) *Minimum Guarantee*—the approved yield per acre multiplied by the Base Price multiplied by the coverage level percentage you elect.

(2) *Harvest Guarantee*—the approved yield per acre multiplied by the Harvest Price, multiplied by the coverage level percentage you elect.

(g) Final planting date—The date contained in the Special Provisions by which the insured crop must initially be planted in order to be insured for the full final guarantee.

(h) Good farming practices—The cultural practices necessary for the insured crop to make usual and normal progress toward maturity and which can be expected to produce at least the yield used to determine the Minimum Guarantee. Good farming practices are generally those in use in the county for production of the insured crop and are recognized by the Cooperative

Extension Service as compatible with agronomic and weather conditions in the area.

(i) Harvest—Combining or threshing the insured crop for grain or cutting for hay or silage on any acreage. A crop which is swathed prior to combining is not considered harvested.

(j) Harvest price—see the appropriate definition contained in the Commodity Exchange Endorsement to this policy.

(k) Initially planted—The first occurrence of planting the insured crop on insurable acreage for the crop year.

(l) 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.

(m) 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 Minimum Guarantee on the irrigated acreage planted to the insured crop.

(n) Late planted—Acreage planted during the late planting period.

(o) Late planting period—(not applicable for fall-planted wheat)—The period that begins the day after the final planting date for the insured crop and ends twenty-five (25) days after the final planting date.

(p) Latest final planting date—

(1) The final planting date for spring-planted acreage in all counties for which the Special Provisions designate a final planting date for spring-planted acreage only;

(2) The final planting date for fall-planted acreage in all counties for which the Special Provisions designate a final planting date for fall-planted acreage only; or

(3) The final planting date for spring-planted acreage in all counties for which the Special Provisions designate final planting dates for both spring-planted and fall-planted acreage.

(q) Local market price—The cash grain price per bushel for the U.S. No. 2 grade of the insured crop offered by buyers in the area in which you normally market the insured crop. The local market price will reflect the maximum limits of quality deficiencies allowable for the U.S. No. 2 grade of the insured crop. Factors not associated with grading under the Official United States Standards for Grain, including but not limited to protein, oil or moisture content, or milling quality will not be considered.

(r) Nurse crop (companion crop)—A crop planted into the same acreage as

another crop, that is intended to be harvested separately, and which is planted to improve growing conditions for the crop with which it is grown.

(s) 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 which has been properly prepared for the planting method and production practice. Land on which seed is initially spread onto the soil surface by any method and subsequently is mechanically incorporated into the soil in a timely manner and at the proper depth will be considered planted.

(t) Practical to replant—(section 1. (“Practical to replant”) of the Crop Revenue Coverage Insurance Policy does not apply to wheat.) 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, etc., that a replanting of the insured crop will attain maturity in the remainder of the crop year. It will not be considered practical to replant after the end of the late planting period or the final planting date if a late planting period is not applicable except that it may be determined practical to replant after the end of the late planting period or the final planting date if such practice is generally occurring in the area (see section 7).

(u) Prevented planting—Inability to plant the insured crop with proper equipment by the latest final planting date designated in the Special Provisions for the insured crop in the county or the end of the late planting period if applicable. You must have been unable to plant the insured crop due to an insured cause of loss that has prevented the majority of producers in the surrounding area from planting the same crop.

(v) Prevented planting guarantee—The prevented planting guarantee for such acreage will be that percentage of the final guarantee for timely planted acres as set forth in section 12(d).

(w) Replanting—Performing the cultural practices necessary to replace seed for the insured crop, and replacing the seed in the insured acreage with the expectation of growing a successful crop.

(x) Swathed—Severance of the stem and grain head from the ground without removal of the seed from the head and placing into a windrow.

(y) Timely planted—Planted on or before the final planting date designated in the Special Provisions.

(z) Wheat—Wheat for grain only.

2. Unit Division

Unless limited by the Special Provisions, a unit as defined in section 1 “Unit” of the Crop Revenue Coverage Insurance Policy may be divided into optional units if, for each optional unit you claim, all the conditions of this section are met, or if we agree to such division in writing. Optional units must be established at the time you file your report of acreage for each crop year.

(a) You must have verifiable records of planted acreage and production for each optional unit for at least the last crop year used to determine your Minimum Guarantee.

(b) You must plant the crop in a manner which results in a clear and discernable break in the planting pattern at the boundaries of each optional unit.

(c) You must have measurements of stored production or market production from each optional unit in a manner that permits us to verify the production from the optional unit.

(d) Each optional unit must meet one or more of the following:

(1) Optional Units by Section, Section Equivalent, or FSA Farm Serial Number: Optional units may be established if each optional unit is located in a separate section. In the absence of sections, we may consider parcels of land legally identified by other methods of measure including, but not limited to: Spanish grants, railroad surveys, leagues, labors, or Virginia Military Lands. In areas which have not been surveyed using the systems identified above or another system approved by us, and in areas where boundaries are not readily discernable, each optional unit must be located in a separate FSA Farm Serial Number.

(2) Optional Units on Acreage Including Both Irrigated and Non-Irrigated Practices: In addition to or instead of establishing optional units by section, section equivalent, or FSA Farm Serial Number, optional units may be established if each optional unit contains only irrigated acreage or only non-irrigated acreage. The irrigated acreage may not extend beyond the point at which your irrigation system can deliver the quantity of water needed to produce the yield on which your Minimum Guarantee is based. You must plant, cultivate, fertilize, or otherwise care for the irrigated acreage and the non-irrigated acreage in an appropriate manner.

(3) Optional Units by Initially Planted Winter Wheat or Initially Planted Spring Wheat: In addition to or instead of establishing optional units by section, section equivalent, or FSA Farm Serial Number as described in section 2.(d)(1) or by irrigated and non-irrigated practices as described in section

2.(d)(2), optional units may be established if each optional unit contains only initially planted winter wheat or only initially planted spring wheat. Optional units may be established in this manner only in counties having both fall and spring final planting dates as designated by the Special Provisions. Basic units may not be divided into optional units on any basis (production practice, type, variety, planting period, etc.) other than as described under this section. If you do not comply fully with these conditions, we will combine all optional units which are not established in compliance

with these provisions into the basic unit from which they were formed. We may do this at any time we discover that you have failed to comply with these conditions. If failure to comply with these provisions is determined to be inadvertent, and if the optional units are combined, the premium paid for electing optional units will be refunded to you.

3. Coverage Level

In addition to the requirements of section 3 (Coverage Level) of the Crop Revenue Coverage Insurance Policy, all the insurable wheat in the county

insured as grain under this policy will have the same coverage level election.

4. Contract Changes

In accordance with section 4 (Contract changes) in the Crop Revenue Coverage Insurance Policy, the contract change date is December 31 preceding the cancellation date for counties with an March 15 cancellation date and June 30 preceding the cancellation date for all other counties.

5. Cancellation and Termination Dates

The cancellation and termination dates are:

Crop, state and county	Cancellation date	Termination date
Wheat:		
All Colorado counties except Alamosa, Archuleta, Conejos, Costilla, Custer, Delta, Dolores, Eagle, Garfield, Grand, La Plata, Mesa, Moffat, Montezuma, Montrose, Ouray, Pitkin, Rio Blanco, Rio Grande, Routt, Saguache, and San Miguel Counties; all Iowa Counties except Plymouth, Cherokee, Buena Vista, Pocahontas, Humbolt, Wright, Franklin, Butler, Black Hawk, Buchanan, Delaware, and Dubuque Counties and all Iowa counties north thereof; all Wisconsin Counties except Trempealeau, Jackson, Wood, Portage, Waupaca, Outagamie, Brown, and Kewaunee Counties and all Wisconsin counties north and west thereof; and all other states except Alaska, Arizona, California, Connecticut, Idaho, Maine, Massachusetts, Minnesota, Montana, Nevada, New Hampshire, New York, North Dakota, Oregon, Rhode Island, South Dakota, Utah, Vermont, Washington, and Wyoming.	September 30	September 30.
Archuleta, Custer, Delta, Dolores, Eagle, Garfield, Grand, La Plata, Mesa, Moffat, Montezuma, Montrose, Ouray, Pitkin, Rio Blanco, Routt, and San Miguel Counties, Colorado; Connecticut; Idaho; Plymouth, Cherokee, Buena Vista, Pocahontas, Humboldt, Wright, Franklin, Butler, Black Hawk, Buchanan, Delaware, and Dubuque Counties, Iowa, and all Iowa counties north thereof; Massachusetts; all Montana counties except Daniels, Roosevelt, Sheridan, and Valley Counties; New York; Oregon; Rhode Island; all South Dakota counties except Harding, Perkins, Corson, Walworth, Edmonds, Faulk, Spink, Beadle, Jerauld, Aurora, Douglas, and Bon Homme Counties and all South Dakota counties north and east thereof; Washington; and all Wyoming counties except Big Horn, Fremont, Hot Springs, Park, and Washakie Counties.	September 30	November 30.
Matanuska-Susitna County, Alaska; Arizona; California; Nevada; and Utah	October 31	November 30
All Alaska Counties except Matanuska-Susitna County; Alamosa, Conejos, Costilla, Rio Grande, and Saguache Counties, Colorado; Maine; Minnesota; Daniels, Roosevelt, Sheridan, and Valley Counties, Montana; New Hampshire; North Dakota; Harding, Perkins, Corson, Walworth, Edmonds, Faulk, Spink, Beadle, Jerauld, Aurora, Douglas, and Bon Homme Counties, South Dakota, and all South Dakota counties north and east thereof; Vermont; Trempealeau, Jackson, Wood, Portage, Waupaca, Outagamie, Brown, and Kewaunee Counties, Wisconsin, and all Wisconsin counties north and west thereof; Big Horn, Fremont, Hot Springs, Park, and Washakie Counties, Wyoming.	March 15	March 15.

6. Insured Crop

(a) In accordance with section 8 (Insured Crop) of the Crop Revenue Coverage Insurance Policy, the crop insured will be wheat you elect to insure, that is grown in the county on insurable acreage, and for which premium rates are provided by the County Actuarial Table and Crop Revenue Coverage Factor Table:

- (1) in which you have a share;
- (2) that is planted for harvest as grain
- (3) that is not:
 - (i) Interplanted with another crop except as allowed in section 6(a)(2);
 - (ii) Planted into an established grass or legume; or
 - (iii) Planted as a nurse crop, unless planted as a nurse crop for new forage seeding, but only if seeded at a normal rate and intended for harvest as grain.

(b) If you anticipate destroying any acreage prior to harvest you:

(1) may report all planted acreage when you report your acreage for the crop year and specify any acreage to be destroyed as uninsurable acreage. (By doing so, no coverage will be considered to have attached on the specified acreage and no premium will be due for such acreage. If you do not destroy such acreage, you will be subject to the under-reporting provisions contained in section 6(f) of the Crop Revenue Coverage Insurance Policy); or

(2) if the County Actuarial Table provides a reduced premium rate for acreage destroyed by a date designated in the Special Provisions, you may report all planted acreage as insurable when you report your acreage for the crop year. Premium will be due on all

the acreage. Your premium amount will be reduced by the amount shown on the County Actuarial Table for any acreage you destroy prior to a date designated in the Special Provisions if you do not claim an indemnity on such acreage. In accordance with section 14(b) of the Crop Revenue Coverage Insurance Policy, you must obtain our consent before and give us notice after you destroy any of the insured crop so your acreage report can be revised to make you eligible for this reduction in premium.

7. Insurance Period

In lieu of the requirements under section 11 (Insurance Period) of the Crop Revenue Coverage Insurance Policy the insurance period is as follows:

(a) Insurance attaches on each unit or part thereof on the later of the date we accept your application or the date the insured crop is planted subject to the following limitations:

(1) The acreage must be planted on or before the final planting date designated in the Special Provisions for the type (winter or spring) except as allowed in section 12(c).

(2) Whenever the Special Provisions designate only a fall final planting date, any acreage of winter wheat damaged before such final planting date, to the extent that growers in the area would normally not further care for the crop, must be replanted to a winter type of the insured crop unless we agree that replanting is not practical.

(3) Whenever the Special Provisions designate both fall and spring final planting dates, winter wheat planted on or before the fall final planting date which is damaged:

(i) Before the fall planting final planting date, to the extent that growers in the area would normally not further care for the crop, must be replanted to a winter type of the insured crop unless we agree that replanting is not practical.

(ii) On or after the fall final planting date, but before the spring final planting date, to the extent that growers in the area would normally not further care for the crop, must be replanted to an appropriate variety of the insured crop unless we agree that replanting is not practical.

(4) Whenever the Special Provisions designate only a spring final planting date;

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

(ii) Whenever the Special Provisions designate only a spring final planting date, any acreage of fall planted wheat is not insured unless you request such coverage and we agree in writing that the acreage has an adequate stand in the spring to produce the yield used to determine your Minimum Guarantee. Insurance will then attach to acreage having an adequate stand on the earlier of the spring final planting date or the date we agree to accept the acreage for insurance. If such fall planted acreage is not to be insured it must be recorded on the acreage report as an uninsured fall planted crop.

(b) Insurance ends on each unit at the earliest of:

- (1) total destruction of the insured crop on the unit;
- (2) harvest of the unit;

(3) final adjustment of a loss on the unit;

(4) September 25 following planting in Alaska, or October 31 of the calendar year in which the crop is normally harvested in all other States; or

(5) abandonment of the crop on the unit.

8. Causes of Loss

In addition to the provisions under section 12 (Causes of Loss) of the Crop Revenue Coverage Insurance Policy, any loss covered by this policy must occur within the insurance period. The specific causes of loss for wheat are:

- (a) adverse weather conditions;
- (b) fire;
- (c) insects, but not damage allowed because of insufficient or improper application of pest control measures;
- (d) plant disease, but not damage allowed because of insufficient or improper application of disease control measures;
- (e) wildlife;
- (f) earthquake;
- (g) volcanic eruption;
- (h) failure of the irrigation water supply; or
- (i) Any difference between the Base Price and the Harvest Price.

9. Replanting Payments

(a) A replant payment for wheat only is allowed as follows:

(1) You comply with all requirements regarding replanting payments contained under section 13 (Replanting Payment) of the Crop Revenue Coverage Insurance Policy Basic Provisions;

(2) The wheat must be damaged by an insurable cause of loss to the extent that the remaining stand will not produce at least 90 percent of the Minimum Guarantee for the acreage;

(3) The acreage must have been initially planted to spring wheat in those counties with only a spring final planting date;

(4) The damage must occur after the fall final planting date in those counties where both a fall and spring final planting date are designated;

(5) Replanting must take place not later than 25 days after the spring final planting date; and

(6) The replanted wheat must be seeded at a rate that is normal for initially planted wheat (if new seed is planted at a reduced seeding rate into a partially damaged stand of wheat, the acreage will not be eligible for a replanting payment).

(b) No replanting payment will be made for acreage initially planted to winter wheat in any county for which the Special Provisions contain only a fall final planting date.

(c) In accordance with section 13.(c) of the Crop Revenue Coverage Insurance Policy, the maximum amount of the replanting payment per acre will be the lesser of twenty percent (20%) of the Minimum Guarantee or 3 bushels, times the Base Price times your share.

(d) When wheat is replanted using a practice that is uninsurable for 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.

10. Duties in the Event of Damage or Loss

In addition to your duties under section 14 of the Crop Revenue Coverage Insurance Policy, if you initially discover damage to any insured crop within 15 days of, or during harvest, you must leave representative samples of the unharvested crop for our inspection. The samples must be at least 10 feet wide and the entire length of each field in the unit, and 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.

11. Settlement of Claim

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

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

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

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

(1) Multiplying the insured acreage of wheat by the final guarantee;

(2) Subtracting the Calculated Revenue from the result of section 11(b)(1); and

(3) Multiplying the result by your share.

If the result of section 11(b)(3) is greater than zero, an indemnity will be paid. If the result of section 11(b)(3) is less than zero, no indemnity will be due.

(c) The total production (bushels) to count from all insurable acreage on the unit will include:

(1) all appraised production as follows:

(i) Not less than that amount of production that when multiplied by the Harvest Price equals the Final Guarantee for acreage;

(A) which is abandoned;
(B) put to another use without our consent;

(C) damaged solely by uninsured causes; or

(D) for which you fail to provide records of production 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 11(d));

(iv) Potential production on insured acreage you want to put to another use or you wish to abandon and no longer care for, if you and we agree on the appraised amount of production. Upon such agreement the insurance period for that acreage will end if you put the acreage to another use or abandon the crop. If:

(A) agreement on the appraised amount of production is not reached, you may elect to continue to care for the crop, or we will 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 you 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.

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

(2) all harvested production from the insurable acreage.

(d) Mature wheat production may be adjusted for excess moisture and quality deficiencies.

(1) Production will be reduced by 12% for each .1 percentage point of moisture in excess of 13.5 percent for wheat. We may obtain samples of the production to determine the moisture content.

(2) Production will be eligible for quality adjustment if:

(i) Deficiencies in quality, in accordance with the Official United States Standards for Grain, result in wheat not meeting the grade requirements for U.S. No. 4 (grades U.S. No. 5 or worse) because of test weight, total damaged kernels (excluding heat

damage), shrunken or broken kernels, or defects (excluding foreign material and heat damage), or grading garlicky, light smutty, smutty or ergoty;

(ii) Substances or conditions are present, including mycotoxins, that are identified by the Food and Drug Administration or other public health organizations of the United States as being injurious to human or animal health.

(3) Quality will be a factor in determining your loss only if:

(i) The deficiencies, substances, or conditions resulted from a cause of loss against which insurance specified in section 8;

(ii) All determinations of these deficiencies, substances, or conditions are made using samples of the production obtained by us or by a disinterested third party approved by us; and

(iii) The samples are analyzed by a grain grader licensed under the authority of the United States Grain Standards Act or the United States Warehouse Act with regard to deficiencies in quality, or by a laboratory approved by us with regard to substances or conditions injurious to human or animal health. Test weight for quality adjustment purposes may be determined by our loss adjustor.

(4) Production of wheat that is eligible for quality adjustment, as specified in sections 11(d)(2) and 11(d)(3), will be reduced by the quality adjustment factor contained in the Special Provisions.

(e) Any production harvested from plants growing in the insured crop may be counted as production of the insured crop on a weight basis.

12. Late Planting and Prevented Planting

(a) In lieu of section 8(b)(2) and section 1 "Late planting agreement option") of the Crop Revenue Coverage Insurance Policy, insurance will be provided for acreage planted to the insured crop during the late planting period (see section 12(c)), and acreage you were prevented from planting (see section 12(d)). These coverages provide reduced guarantees. The reduced guarantees will be combined with the final guarantee for timely planted acreage for each unit. The premium amount for late planted acreage and eligible prevented planting acreage will be the same as that for timely planted acreage. If the amount of premium you are required to pay (gross premium less our subsidy) for late planted acreage or prevented planting acreage exceeds the liability on such acreage, coverage for those acres will not be provided (no premium will be due and no indemnity

will be paid for such acreage). For example, assume you insure one unit in which you have a 100 percent share. The unit consists of 150 acres, of which 50 acres were planted timely, 50 acres were planted 7 days after the final planting date (late planted), and 50 acres are unplanted and eligible for prevented planting coverage. To calculate the amount of any indemnity which may be due to you, the final guarantee for the unit will be computed as follows:

(1) For timely planted acreage, multiply the per acre final guarantee for timely planted acreage by the 50 acres planted timely;

(2) For late planted acreage, multiply the per acre final guarantee for timely planted acreage by 93 percent (0.93) and multiply the result by the 50 acres planted late; and

(3) For prevented planting acreage, multiply the per acre final guarantee for timely planted acreage by:

(i) Fifty percent (0.50) and multiply the result by the 50 acres you were prevented from planting, if the acreage is eligible for prevented planting coverage, and if the acreage is left idle for the crop year, or if a cover crop is planted not for harvest. Prevented planting compensation hereunder will not be denied because the cover crop is hayed or grazed; or

(ii) Twenty-five percent (0.25) and multiply the result by the 50 acres you were prevented from planting, if the acreage is eligible for prevented planting coverage, and if you elect to plant a substitute crop for harvest after the 10th day following the latest final planting date for the insured crop.

The total of the three calculations will be the final guarantee for the unit. Your premium will be based on the result of multiplying the per acre Minimum Guarantee for timely planted acreage by the 150 acres in the unit.

(b) If you were prevented from planting, you must provide written notice to us not later than the acreage reporting date.

(c) Late Planting

(1) For spring-planted wheat acreage in counties for which the Special Provisions designate a spring final planting date, the Minimum Guarantee for each acre will be reduced for each day planted after the final planting date by:

(i) One percent (.01) per day for the first through the tenth day; and

(ii) Two percent (.02) per day for the eleventh through the twenty-fifth day.

(2) In addition to the requirements of section 6 (Report of Acreage) of the Crop Revenue Coverage Insurance Policy, you

must report the dates the acreage is planted within the late planting period.

(3) If planting of the insured crop continues after the final planting date, or you are prevented from planting during the late planting period, the acreage reporting date will be the later of:

(i) The acreage reporting date contained in the Special Provisions; or
(ii) Five (5) days after the end of the late planting period.

(d) Prevented Planting (Including Planting After the Late Planting Period).

(1) If you were prevented from planting the insured crop (see section 1 "Coverage begins, date"), you may elect:

(i) To plant the insured crop during the late planting period. The final guarantee for such acreage will be determined in accordance with section 12(c)(1);

(ii) Not to plant this acreage to any crop except a cover crop not for harvest. You may also elect to plant the insured crop after the late planting period. In either case, the prevented planting guarantee for such acreage will be 50 percent (50%) of the final guarantee for timely planted acres. In counties for which the Special Provisions designate a spring final planting date, the prevented planting guarantee will be based on your final guarantee for spring-planted acreage of the insured crop. For example, if your final guarantee for timely planted acreage is 120 dollars per acre, your prevented planting guarantee would be 60 dollars per acre (120 dollars multiplied by 0.50). If you elect to plant the insured crop after the late planting period, production to count for such acreage will be determined in accordance with sections 11 (c) through (e); or

(iii) Not to plant the intended crop but plant a substitute crop for harvest, in which case:

(A) No prevented planting guarantee will be provided for such acreage if the substitute crop is planted on or before the tenth day following the latest final planting date for the insured crop; or

(B) A prevented planting guarantee equal to twenty-five percent (25%) of the final guarantee for timely planted acres will be provided for such acreage, if the substitute crop is planted after the tenth day following the latest final planting date for the insured crop. If you elected to exclude this coverage, and plant a substitute crop, no prevented planting coverage will be provided. For example, if your final guarantee for timely planted acreage is 120 dollars per acre, your prevented planting guarantee would be 30 dollars per acre (120 dollars multiplied by 0.25). You may elect to exclude prevented planting

coverage when a substitute crop is planted for harvest and receive a reduction in the applicable premium rate. If you wish to exclude this coverage, you must so indicate, on or before the sales closing date, on your application or on a form approved by us. Your election to exclude this coverage will remain in effect from year to year unless you notify us in writing on our form by the applicable sales closing date for the crop year for which you wish to include this coverage. All acreage of the crop insured under this policy will be subject to this exclusion.

(2) Proof may be required that you had the inputs available to plant and produce the intended crop with the expectation of at least producing the Minimum Guarantee.

(3) In addition to the provisions of section 11 (Insurance Period) of the Crop Revenue Coverage Insurance Policy, the insurance period for prevented planting coverage begins:

(i) On the sales closing date contained in the Special Provisions for the insured crop in the county for the crop year the application for insurance is accepted; or

(ii) For any subsequent crop year, on the sales closing date for the insured crop in the county for the previous crop year, provided continuous coverage has been in effect since that date. For example: If you make application and purchase insurance for wheat for the 1996 crop year, prevented planting coverage will begin on the 1996 sales closing date for the insured crop in the county. If the wheat coverage remains in effect for the 1997 crop year (is not terminated or canceled during or after the 1996 crop year, except the policy may have been canceled to transfer the policy to a different insurance provider, if there is no lapse in coverage), prevented planting coverage for the 1997 crop year began on the 1996 sales closing date.

(4) The acreage to which prevented planting coverage applies will not exceed the total eligible acreage on all FSA Farm Serial Numbers in which you have a share, adjusted for any reconstitution that may have occurred on or before the sales closing date. Eligible acreage for each FSA Farm Serial Number is determined as follows:

(i) If you participate in any program administered by the United States Department of Agriculture that limits the number of acres that may be planted for the crop year, the acreage eligible for prevented planting coverage will not exceed the total acreage permitted to be planted to the insured crop.

(ii) If you do not participate in any program administered by the United States Department of Agriculture that

limits the number of acres that may be planted, and unless we agree in writing on or before the sales closing date, eligible acreage will not exceed the greater of:

(A) The FSA base acreage for the insured crop, including acres that could be flexed from another crop, if applicable;

(B) The number of acres planted to the insured crop on the FSA Farm Serial Number during the previous crop year; or

(C) One hundred percent (100%) of the simple average of the number of acres planted to the insured crop during the crop years that you certified to determine your yield.

(iii) Acreage intended to be planted under an irrigated practice will be limited to the number of acres for which you had adequate irrigation facilities prior to the insured cause of loss which prevented you from planting.

(iv) Prevented planting coverage will not be provided for any acreage:

(A) That does not constitute at least 20 acres or 20 percent (20%) of the acreage in the unit, whichever is less (Acreage that is less than 20 acres or 20 percent of the acreage in the unit will be presumed to have been intended to be planted to the insured crop planted in the unit, unless you can show that you had the inputs available before the final planting date to plant and produce another insured crop on the acreage);

(B) For which the County Actuarial Table does not designate a premium rate unless a written agreement designates such premium rate;

(C) Used for conservation purposes or intended to be left unplanted under any program administered by the United States Department of Agriculture;

(D) On which another crop is prevented from being planted, if you have already received a prevented planting indemnity, guarantee or amount of insurance for the same acreage in the same crop year, unless you provide adequate records of acreage and production showing that the acreage has a history of double-cropping in each of the last four years;

(E) On which the insured crop is prevented from being planted, if any other crop is planted and fails, or is planted and harvested, hayed or grazed on the same acreage in the same crop year, (other than a cover crop (see section 12(d)(1)(ii)) or a substitute crop (see section 12(d)(1)(ii))) unless you provide adequate records of acreage and production showing that the acreage has a history of double-cropping in each of the last four years;

(F) For which planting history or conservation plans indicate that the

acreage would have remained fallow for crop rotation purposes.

(v) For the purpose of determining eligible acreage for prevented planting coverage, acreage for all units will be combined and be reduced by the number of acres of the insured crop that are timely planted and late planted, if the late planting period is applicable. For example, assume you have 100 acres eligible for prevented planting coverage in which you have a 100 percent (100%) share. The acreage is located in a single FSA Farm Serial Number which you insure as two separate optional units consisting of 50 acres each. If you planted 60 acres of the insured crop on one optional unit and 40 acres of the insured crop on the second optional unit, your prevented planting eligible acreage would be reduced to zero (i.e., 100 acres eligible for prevented planting coverage minus 100 acres planted equals zero).

(5) In accordance with the provisions of section 6 (Report of Acreage) of the Crop Revenue Coverage Insurance Policy, you must report by unit any insurable acreage that you were prevented from planting. This report must be submitted on or before the acreage reporting date for spring-planted acreage of the insured crop in counties for which the Special Provisions designates a spring final planting date, or the acreage reporting date for fall-planted acreage of the insured crop in counties for which the Special Provisions designates a fall final planting date only. For the purpose of determining acreage eligible for a prevented planting guarantee, the total amount of prevented planting and planted acres cannot exceed the maximum number of acres eligible for prevented planting coverage. Any acreage you report in excess of the number of acres eligible for prevented planting coverage, or that exceeds the number of eligible acres physically located in a unit, will be deleted from your acreage report.

Signed in Washington, DC, on June 23, 1997.

Kenneth D. Ackerman,

Manager, Federal Crop Insurance Corporation.

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DEPARTMENT OF AGRICULTURE

Forest Service

Notice of Intent To Prepare an Environmental Impact Statement; Finger Mountain Timber Sale(s), Sitka Ranger District, Tongass National Forest, Chatham Area, Sitka, AK

AGENCY: Forest Service, USDA.

ACTION: Notice of intent to prepare an Environmental Impact Statement.

SUMMARY: The Department of Agriculture, Forest Service will prepare an Environmental Impact Statement to disclose the environmental impacts of proposed actions within the Finger Mountain Project Area, which is located on Chichagof Island in South-east Alaska. The proposed action provides for: (1) Timber harvest and subsequent regeneration of approximately 1872 acres of forested land. This harvest would result in the production of approximately 49 million board feet of sawlog and utility timber. (2) Construction of approximately 50 miles of permanent and temporary road and reconstruction of approximately 1 mile of road. (3) Construction of one log transfer facility and use of two existing log transfer facilities. This proposed action is one alternative for meeting the purpose and need for the project.

The Forest Service is seeking information and comments from Federal, State, and local agencies, as well as individuals and organizations who may be interested in, or affected by the proposed action.

DATES: Comments concerning the scope of the analysis should be received in writing by August 15, 1997.

ADDRESSES: Send written comments to Finger Mountain Planning Team, Sitka Ranger District, 204 Signaka Way, Sitka, AK 99835.

FOR FURTHER INFORMATION CONTACT: Lisa Winn, Team Leader, Sitka Ranger District, 204 Signaka Way, Sitka, AK 99835, phone (907) 747-6671, fax (907) 747-4331.

SUPPLEMENTARY INFORMATION:

Background

The Environmental Impact Statement for the Finger Mountain Project will tier to the Final Environmental Impact Statement for the Tongass National Forest Land and Resource Management Plan of May 1997. The Land and Resource Management Plan provides the overall guidance (goals, objectives, management prescriptions, standards and guidelines) to achieve the desired future condition for the area in which this project is proposed.

The Finger Mountain Project Area is located about 38 air miles north of Sitka, Alaska, 24 air miles of northeast of Angoon, Alaska, and 3 air miles southwest of Tenakee Springs, Alaska on the southeastern part of Chichagof Island. The Project Area covers approximately 73,000 acres and extends from Peril Strait on the south to Tenakee Inlet on the north. It includes all of Management Area C34 and encompasses six Value Comparison Units (230, 231, 232, 233, 234, and 246) as described in the 1979 Tongass Land Management Plan. These Value Comparison Units include the watersheds of In between Creek, Saltery Bay, Crab Bay, Fog Creek, Broad Finger Creek, and Broad Creek. The Project Area is administered by the Sitka Ranger District of the Tongass National Forest, Chatham Area, Sitka, Alaska.

Purpose and Need

The Finger Mountain Project is being scheduled at this time to provide supplemental analysis for six Value Comparison Units within the 1992 Southeast Chichagof Project Area. This supplemental analysis is undertaken to meet the terms of the Settlement Agreement (filed May 16, 1996) for *Alaska Wilderness Recreation and Tourism Association v. Morrison*, Case No J94-033. It is intended to supplement the analysis contained in the Final Environmental Impact Statement and the Record of Decision for the Southeast Chichagof Project Area, published in September 1992.

The purpose and need for the Finger Mountain Project is: (1) To implement the direction contained in the Tongass National Forest Land and Resource Management Plan of May 1997, including goals, objectives, management prescriptions, and standards and guidelines; (2) to maintain wood production from suitable timber lands, providing a continuous supply of wood to meet society's needs; (3) to help provide a stable supply of timber from the Tongass National Forest which meets existing and potential market demand and is consistent with sound multiple use and sustained yield objectives; and (4) to help meet the desired future condition of the landscape as described by the Land and Resource Management Plan.

The Finger Mountain Project Area is expected to provide between 20 and 60 million board feet of timber to the timber industry in one or more timber sales.

Public Comment

Federal, State, and local agencies, as well as individuals and organizations