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

12. Settlement of Claim.

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

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

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

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

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

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

(3) Totaling the results of section 12(b)(2) if there are more than one type;

(4) Multiplying the total production to count (see section 12(c)), for each type if applicable, by its respective price election;

(5) Totaling the results of section 12(b)(4) if there are more than one type;

(6) Subtracting the results of section 12(b)(4) from the results of section 12(b)(2) if there is only one type or subtracting the results of section 12(b)(5) from the result of section 12(b)(3) if there are more than one type; and

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

For example:

You have a 100 percent share in 100 acres of type A processing sweet corn in the unit, with a guarantee of 3.0 tons per acre and a price election of $50.00 per ton. You are only able to harvest 200 tons. Your indemnity would be calculated as follows:

(1) 100 acres×3.0 tons=300 tons guarantee;
(2) 300 tons×$50.00 price election=$15,000.00 value of guarantee;
(4) 200 tons×$50.00 price election=$10,000.00 value of production to count;
(6) $15,000.00 − $10,000.00=$5,000.00 loss;
(7) $5,000.00×100 percent=$5,000.00 indemnity payment.

You also have a 100 percent share in 100 acres of type B processing sweet corn in the same unit, with a guarantee of 4.0 tons per acre and a price election of $45.00 per ton. You are only able to harvest 350 tons. Your total indemnity for both types A and B would be calculated as follows:

(1) 100 acres×3.0 tons=300 tons guarantee for type A, and
100 acres×4.0 tons=400 tons guarantee for type B;
(2) 300 tons×$50.00 price election=$15,000.00 value of guarantee for type A, and
400 tons×$45.00 price election=$18,000.00 value of guarantee for type B;
(3) $15,000.00 + $18,000.00=$33,000.00 total value of guarantee;
(4) 200 tons×$50.00 price election=$10,000.00 value of production to count for type A, and
350 tons×$45.00 price election=$15,750.00 value of production to count for type B;
(5) $10,000.00+$15,750.00=$25,750.00 total value of production to count;
(6) $33,000.00 − $25,750.00=$7,250.00 loss;
(7) $7,250.00 loss×100 percent=$7,250.00 indemnity payment.

(c) The total production to count, specified in tons of unhusked ear weight, from all insurable acreage on the unit will include:

(1) All appraised production as follows:

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

(A) That is abandoned;

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

(C) That is damaged solely by uninsured causes; or

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

(ii) Production lost due to uninsured causes.

(iii) Production on acreage that is bypassed unless the acreage was bypassed due to an insured cause of loss which resulted in production which would not be acceptable under the terms of the processor contract.

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

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

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

(2) All harvested processing sweet corn production from the insurable acreage. The amount of such production will be:

(i) The usable tons of processing sweet corn shown on the processor settlement sheet, if available; or

(ii) Determined by dividing the dollar amount paid, payable, or which should have been paid under the terms of the processor contract for the quantity of the sweet corn delivered to the processor by the base contract price per ton; and

(3) All harvested processing sweet corn production from any other insurable units that have been used to fulfill your processor contract for this unit.

The total production to count will be expressed as an unhusked ear weight. Any other measure of production will be converted to an unhusked ear weight equivalent.

13. Late Planting.

A late planting period is not applicable to processing sweet corn unless allowed by the Special Provisions and you provide written approval from the processor by the acreage reporting date that it will accept the production from the late planted acres when it is expected to be ready for harvest.

14. Prevented Planting.

Your prevented planting coverage will be 40 percent of your production guarantee for timely planted acreage. If you have limited or additional levels of coverage, as specified in 7 CFR part 400, subpart T, and pay an additional premium, you may increase your prevented planting coverage to the levels specified in the actuarial documents.

Signed in Washington, D.C., on December 5, 1997.

Kenneth D. Ackerman,

Manager, Federal Crop Insurance Corporation.

[FR Doc. 97–32493 Filed 12–11–97; 8:45 am]

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DEPARTMENT OF AGRICULTURE

Federal Crop Insurance Corporation

7 CFR Parts 443 and 457

RIN 0563–AA78

Hybrid Seed Crop Insurance Regulations; and Common Crop Insurance Regulations, Hybrid Seed Corn Crop Insurance Provisions

AGENCY: Federal Crop Insurance Corporation, USDA.

ACTION: Final rule.

SUMMARY: The Federal Crop Insurance Corporation (FCIC) finalizes specific crop provisions for the insurance of hybrid seed corn. The provisions will be used in conjunction with the Common Crop Insurance Policy, Basic Provisions, which contain standard terms and conditions common to most crops. The intended effect of this action is to provide policy changes to better meet the needs of the insured, include the current hybrid seed crop insurance regulations under the Common Crop

Insurance Policy for ease of use and consistency of terms, and to restrict the effect of the current hybrid seed crop insurance regulations to the 1997 and prior crop years.

DATES: Effective December 12, 1997.

FOR FURTHER INFORMATION CONTACT: Ron Nesheim, Insurance Management Specialist, Research and Development, Product Development Division, Federal Crop Insurance Corporation, United States Department of Agriculture, 9435 Holmes Road, Kansas City, MO 64131, telephone (816) 926–7730.

SUPPLEMENTARY INFORMATION:

Executive Order No. 12866

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

Paperwork Reduction Act of 1995

Pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3507), those collections of information have been approved by the Office of Management and Budget (OMB) under control number 0563–0053.

Unfunded Mandates Reform Act of 1995

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

Executive Order No. 12612

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

Regulatory Flexibility Act

This regulation will not have a significant economic impact on a substantial number of small entities. The effect of this regulation on small entities will be no greater than on larger entities. Under the current regulations, a producer is required to complete an application and acreage report. If the crop is damaged or destroyed, the insured is required to give notice of loss and provide the necessary information to complete a claim for indemnity. This regulation does not alter those requirements.

The amount of work required of the insurance companies delivering and servicing these policies will not increase significantly from the amount of work currently required. This rule does not have any greater or lesser impact on the producer. Therefore, this action is determined to be exempt from the provisions of the Regulatory Flexibility Act (5 U.S.C. 605), and no Regulatory Flexibility Analysis was prepared.

Federal Assistance Program

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

Executive Order No. 12372

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

Executive Order No. 12988

This final rule has been reviewed in accordance with Executive Order No. 12988 on civil justice reform. The provisions of this rule will not have a retroactive effect. The provisions of this rule will preempt State and local laws to the extent such State and local laws are inconsistent herewith. The administrative appeal provisions published at 7 CFR part 11 must be exhausted before any action against FCIC for judicial review may be brought.

Environmental Evaluation

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

National Performance Review

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

Background

On Thursday, January 2, 1997, FCIC published a proposed rule in the **Federal Register** at 62 FR 48 to add to the Common Crop Insurance Regulations (7 CFR part 457), a new section, 7 CFR 457.152 (Hybrid Seed Corn Crop Insurance Provisions). These provisions will replace and supersede the current provisions for insuring hybrid seed corn found at 7 CFR part 443 and will be effective for the 1998 and succeeding crop years. This rule also amends 7 CFR part 443 to restrict its effect to the 1997 and prior crop years.

Following publication of the proposed rule, the public was afforded 60 days to submit written comments. A total of 37 comments were received from reinsured companies and an insurance service organization. The comments received, and FCIC's responses, follow:

Comment: A reinsured company and an insurance service organization stated that the current hybrid seed policy limits the amount of other insurance which can be carried on hybrid seed corn to one and a half times the maximum amount of insurance available. Since no such restriction appears in this 1998 proposal, the commenter assumes that this is no longer applicable and supports not having this restriction in the policy.

Response: The policy provision that limited the amount of other insurance to one and a half times the highest price election has been deleted. This deletion will be identified in the Summary of Changes when the new policy is issued.

Comment: A reinsured company and an insurance service organization suggested that the name of the Crop Provisions be changed to ''hybrid seed corn'' rather than ''hybrid corn seed''. Everyone in the seed corn industry refers to it as hybrid seed corn.

Response: FCIC has made the change accordingly.

Comment: A reinsured company and an insurance service organization suggested that the definition of ''Amount of insurance per acre'' be revised to match how this coverage is shown and defined in the Special Provisions, although the commenter stated that the Special Provisions definition should be multiplied by the price election before subtracting the minimum guaranteed payment. The county yield is multiplied by the factor for the coverage level selected, which is multiplied by the price election selected by the producer less any minimum guaranteed payment.

Response: FCIC has revised and clarified the definition to show the proper calculation. Since the calculation is in the Crop Provisions, it will be removed from the Special Provisions.

Comment: A reinsured company and an insurance service organization were concerned about the definition of ''bushel'' and the provisions in section 12(g)(3) (redesignated section 12(f)(3))

that requires the insurance provider to work the claim in the same manner as the records provided by the seed company to establish the approved yield. Since the yields from the seed company are submitted to the FCIC Regional Service Office (RSO) for determination of the approved yield, the FCIC RSO needs to inform the insurance providers when a seed company is using its own conversion charts and what this chart is so that, at claim time, the production to count can be converted in the same manner as the approved yield was determined.

Response: In order to ensure the accuracy of any claim, the same moisture and weight per bushel must be used to calculate the amount of insurance and the production to count. The FCIC procedure will specify that the seed company will provide its conversion chart with the production records. FCIC will provide the conversion chart to the insurance provider when the moisture or weight used to determine a bushel differs from the definition stated in the policy.

Comment: A reinsured company and an insurance service organization were concerned with the definition of ''female parent plants,'' where there is reference to the stamens (tassles) being removed. The commenters indicated that some seed companies are experimenting with male sterile plants from which the stamens may not have to be removed.

Response: FCIC has revised the definition to accommodate those instances wherein parent plants are rendered male sterile by means other than detassling.

Comment: A reinsured company and an insurance service organization suggested that the definition of ''interplanting'' be revised to match its use in the Special Provisions. Interplanting is listed as a separate type with a different county yield than standard planting. The male parent plants are planted between every female parent plant row rather than in a planting pattern as defined in the Crop Provisions.

Response: The Special Provisions uses the term ''interplanting'' and the Crop Provisions uses the term ''interplanted'', and both terms have different meanings. To avoid any confusion between these terms, FCIC will change the reference to ''interplanting'' to ''non-standard planting'' in the Special Provisions.

Comment: A reinsured company suggested that in the definition of ''irrigated practice,'' the words ''and quality'' be added after the words ''* * * providing the quantity.''

Response: FCIC agrees that water quality is important. However, there are no clear criteria regarding the quality of water necessary to produce a crop. The highly variable factors involved would make such criteria difficult to develop and administer. The provisions regarding good farming practices can be applied in situations in which the insured failed to exercise due care and diligence in the application of irrigation water. Therefore, no change has been made.

Comment: An insurance service organization suggested adding, in the definition of ''non-seed amount,'' the phrase ''(rejected for seed purposes)'' or something similar after the first reference to ''non-seed production'' for clarification.

Response: FCIC has revised the definitions and section 12 to clarify that non-seed production is production that does not qualify as seed production because of inadequate germination.

Comment: A reinsured company and an insurance service organization suggested that the definition of ''planted acreage'' be amended to require that the male and female parent plants be planted in accordance with the production management practices of the seed company.

Response: The definition of ''planted acreage'' is broad enough to permit planting in accordance with practices of the seed company. The requirement that parent plants be planted in accordance with the production management practices of the seed company is more appropriate in sections 7 and 10 regarding insured crop and causes of loss and those provisions have been revised accordingly.

Comment: An insurance service organization suggested that a conflict exists between the definition of ''sample'' and ''inadequate germination'' because the germination rate is determined by using a certified seed test on clean seed, not field run seed.

Response: There is no conflict between the terms. The sample must be at least 3 pounds of field run seed. The germination rate is based on the amount of clean seed obtained from that sample. No change has been made.

Comment: An insurance service organization asked why a ''seed company'' must now be a corporation (previously defined as a ''business enterprise''), and if there are any legitimate seed companies that are not corporations.

Response: A seed company need only be a corporation if the seed company is also the producer. To cover all other situations, FCIC has changed ''a corporation'' to ''a business enterprise'' in the definition of ''seed company.''

Comment: An insurance service organization suggested that section 2(a) be rearranged as follows: ''* * * a basic unit, as defined in section 1 of the Basic Provisions, may be divided * * *'' (instead of ''(basic unit))'' at the end of the earlier phrase.

Response: All definitions and those provisions common to most crops with respect to units have been deleted and moved to the Basic Provisions.

Comment: A reinsured company and an insurance service organization stated that the provisions contained in section 2(e)(1), which require the insured to keep records by optional unit for optional units to apply, conflict with section 3(b) which correctly indicates that production reporting requirements do not apply to this crop. In most instances the seed corn is harvested and hauled directly to the seed companies' processing facilities. The seed company maintains records of planted acreage and harvested production and provides all of the yield records used by the FCIC RSO to establish the approved yields. All references to the insured maintaining records by optional unit should not be a requirement since this is maintained at the seed company level. The historical yield of the producer's seed corn is not used to establish the amount of insurance as stated in this item as this is based on the county yield, coverage level and price elected and any minimum guaranteed payment. Seed corn producers will often plant different varieties from year to year with different expected yields. Therefore, the actual yield produced from the previous year has little or no value for the producer in subsequent years.

Response: The insured must have verifiable records of planted acreage and production for each optional unit for at least the ''* * * last crop year used to determine the amount of insurance''. This requirement should not be removed simply because the seed company maintains those records. In order to protect the integrity of the program, FCIC must be able to verify the accuracy of the guarantee for each unit. If the producer cannot produce the records from each optional unit, they will be combined into basic units. The insured can obtain the necessary records from the seed company. These provisions have been deleted and moved to the Basic Provisions.

Comment: A reinsured company was concerned about the requirement that the producer must meet all the requirements in section 6. They stated

that these requirements should not be mandatory for every acreage report.

Response: The information required by the acreage report is necessary to establish liability, premium, and insurability of the acreage. No change has been made.

Comment: A reinsured company and an insurance service organization mentioned that in section 6(a), each individual producer is the named insured under this program and may not know the type or variety of hybrid. The seed companies provide the seed and the producer grows it. Seed companies do not want this information going any further than necessary while still meeting the requirements of the MPCI program. This information is needed only in the event of a claim and can be obtained from the seed company as needed at that time. The commenter believes collection of this information should be an option since the insurance provider may want to capture it in certain instances but not for all insureds. Therefore, this should be an option, not mandatory as it would be with the word ''must'' in the proposed language.

Response: The reporting requirement by type or variety must be maintained for rating purposes and to determine liability and premium for the unit. Such information cannot be obtained only at the time of loss. It is the responsibility of the producer to provide the information which should be contained in the hybrid seed corn processor contract. No change has been made.

Comment: A reinsured company and an insurance service organization mentioned that section 6(b) requires that acreage occupied by the male parent plants be reported. They realize it is common for other crops to obtain all insurable and uninsurable acreage of the crop. However, this stipulation to capture the total acreage occupied by the male parent plants is an unnecessary and burdensome requirement for hybrid seed corn. The commenter suggested that this should be determined in the event of a claim. A number of seed companies require that the male acres be destroyed after pollination.

Response: The requirement to report any acreage occupied by male parent plants is necessary to determine the correct amount of insurance for a unit since acres with male plants are not insurable. The amount of insurance is determined on the Summary of Coverage so the insurance provider cannot wait until a loss to determine insurable acreage. The burden of determining the amount of acreage occupied by the male plant can be minimized by mathematical calculation based on the planting pattern of the crop. No change has been made.

Comment: A reinsured company and an insurance service organization questioned section 6(c), which requires the insured to certify that there is a hybrid seed corn processor contract and the amount of any minimum guaranteed payment. The commenter questions what constitutes certification. It is their feeling that if the insured goes through the FCIC RSO to obtain an approved yield, and upon receiving copies of this information, this would be adequate certification as to the insured having a contract. The presumption is that the FCIC RSO would not go through this process between the producer and the seed company if there was not some type of contractual agreement in place. If they obtain some of this information directly from the seed company it would also constitute certification as the seed company would not provide this information if a contract was not in place. If this does not constitute certification for the purposes of having a contract then they have some concerns as to what additional requirements must be met.

Response: The certification requirement is satisfied by a written statement on the acreage report, signed by the producer, that such a contract exists. In many cases, the RSO provides an approved yield for a variety, not specifically for individual producers. Since a contract is a condition of insurance, the insurance provider must have some assurance that a contract exists. Receipt of an approved yield from the RSO is not evidence of a contract between the processor and the producer. No change has been made.

Comment: A reinsured company and an insurance service organization were concerned with section 6(c) references to the minimum guaranteed payment which, according to the Crop Insurance Handbook, must be obtained from each insured. If an insurance company happens to insure all producers of a seed company, there is generally only one base contract which is used for all the individual seed corn producers. If the base contract does not provide a minimum guarantee, each insured is still required to certify to this effect even though this information can be determined from the base contract.

Response: Section 6(c) only requires the producer to report a minimum guaranteed payment if the hybrid seed corn processor contract contains such a payment. No change has been made.

Comment: An insurance service organization asked if all the exceptions in section 7(a)(4)(I)–(iv) should be required by written agreement. For example, the commenter questions why acreage with female and male parent plants in the same row would ever be insurable. Perhaps the phrase ''unless allowed'' should be removed from item (4) and inserted at the specific items where it is actually possible.

Response: Current planting practices do not allow male and female plants to be planted in the same row. However, acceptable planting practices may change and the provision must allow a certain amount of flexibility to cover such changes. No change has been made.

Comment: A reinsured company questioned section 7(c) pertaining to a producer who is also the seed company. If a seed corn producer is insured as an individual, and also owns the seed corn company under a corporate name and the company contracts with other producers, the commenter questions whether this situation would fall into the procedure outlined.

Response: If the other conditions in section 7(c) are met, the seed company could be eligible for insurance. Section 7(c) has been amended for clarification.

Comment: An insurance service organization asked that since ''seed company,'' by definition, is required to be a corporation, whether it is necessary to repeat the requirement again in section 7(c)(1).

Response: A seed company is no longer required to be a corporation except when the seed company is also the producer. FCIC has revised the definition of ''seed company'' to specify business enterprise and added a provision requiring a seed company that is also an insured to be a corporation.

Comment: A reinsured company and an insurance service organization were concerned with section 7(c)(3) which states that if acceptable sales records are not available, the crop may only be insured under the Coarse Grains Crop Provisions. Since the yield potential for seed corn is considerably less than for commercial field corn, a normal seed corn crop could be harvested and still potentially have a payable loss under the Coarse Grains Crop Provisions. Language similar to ''* * * may only be insured by written agreement * * *'' is recommended.

Response: FCIC agrees that hybrid seed corn is best suited for insurance under the Hybrid Seed Corn Crop Provision, but records must be provided to assure that the person seeking insurance is a bona-fide producer of hybrid seed corn. If the crop is insured under the Coarse Grains Crop Provisions, the approved yield would be derived from hybrid seed corn production records of the processor for

the particular variety. The last sentence of section 7(c)(3) has been revised to read ''If such records are not available, the crop may be insured under the Coarse Grains Crop Provisions with a written agreement; and * * *.''

Comment: An insurance service organization asked if it is necessary that the phrase ''Of the insured crop'' be specified in section 8(c) but not for items (a) or (b).

Response: FCIC has clarified the provisions. Further, since damage to the male plant could also necessitate replanting, FCIC has modified section 8(c) to include both male and female parent plants.

Comment: An insurance service organization stated that the phrase ''insurance attaches after'' in section 9(a) creates an ambiguity with respect to when insurance attaches. The commenter suggested that the term ''after'' could be changed to ''once'' (or ''upon completion of planting:'') and then delete ''is completely planted'' from items (1) and (2).

Response: Section 9(a) has been clarified.

Comment: A reinsured company and an insurance service organization stated that the provisions in section 11(a) stipulate that any representative samples must consist of one complete planting pattern the entire length of the field if the acreage will not be harvested. The commenters prefer that each representative sample be one complete pattern which is long enough to provide a 1/100 acre sample, and that these be at various representative areas of the field rather than the entire length of the field. This would be consistent with the appraisal methods specified in the loss adjustment procedures.

Response: More than one representative sample may be required by the insurance provider, and such samples may be in different parts of the field. However, by having a strip the entire length of the field, the loss adjuster can choose the areas to be sampled and is not restricted to the crop the insured chose to leave for this purpose. This permits a more accurate appraisal. Further, it would be difficult for the person harvesting the crop to know what constitutes 1/100 of an acre. No change has been made.

Comment: An insurance service organization suggested that since the Basic Provisions state that the term ''representative sample'' will be further defined in the Crop Provisions, it should be included in section 1 with the other definitions (as in the 1986–CHIAA 738) so the term would be more easily located.

Response: The requirements for representative samples are substantive and, therefore, should not be in the definition section. The Basic Provisions are revised to amend the definition to state ''as specified in the Crop Provisions''.

Comment: A reinsured company and an insurance service organization disagreed that section 11(b)(2) should be a mandatory requirement for all producers having a loss. If all seed corn producers for a seed company are insured with the same insurance company, the company knows that all of their producers have a seed corn contract. The company will already have a copy of the base contract for the seed company and are not gaining anything by having to obtain the exact contract in effect for each producer. If some producers insured with an insurance company grow seed corn for various seed companies (not all of their producers are insured with them) there may be some benefit in obtaining a copy of the contract. The commenter does not believe this should be a mandatory requirement for all losses.

Response: Since not all producers may receive the same contract terms, the insurance company must verify contract terms, unless it has been determined that the contract provided by the seed company is used for all its producers without any waivers or amendments. Section 11(b)(2) has been revised accordingly.

Comment: An insurance service organization suggested that section 12(e)(1)(v) (redesignated section 12(d)(1)(v)) of the policy should not allow the insured to defer settlement and wait for a later, generally lower appraisal, especially on crops that have a short ''shelf life.''

Response: A later appraisal will only be necessary if the insurance provider and the insured do not agree on the appraisal or the insurance provider believes the crop needs to be carried further. The producer must continue to care for the crop. If the producer does not care for the crop, the original appraisal will be used. No change has been made.

Comment: An insurance service organization stated that section 12(e)(2) (redesignated section 12(d)(2)) counts harvested production *delivered* to the seed company, whereas section 4d(1)(I) of the 1986–CHIAA 738 counts harvested production delivered to *and accepted* by the seed company. The commenter questioned whether this is change, or should this provision be interpreted to mean that production is not considered delivered until it is accepted.

Response: This is a change. Section 12(d)(2) provides that seed production to be counted includes mature harvested production that is delivered as commercial hybrid seed corn to the seed company stated in the hybrid seed corn processor contract, regardless of quality, unless the production has inadequate germination.

Comment: A reinsured company and an insurance service organization asked that since there has been a change in amounts for moisture content (to 15 percent moisture content instead of 15.5 percent, and increased for ear corn by 1.5 pounds, instead of 2.0 pounds, for each percentage point of moisture in excess of 14.0 percent) in sections 12(f)(1) and (2), whether FCIC plans any adjustments to previous yields that were adjusted using the previous amounts.

Response: Previous yield information will not be affected. These changes will be effective for 1998 and subsequent crop years. Approved yields after these provisions are effective will be determined on the revised basis.

Comment: An insurance service organization suggested that section 13(d)(2) may be confusing because a sentence that states ''The unit consists of 185 acres * * *'' is followed immediately by a sentence that states ''The unit consists of 150 acres * * *.'' The example would be clearer if it stated ''The unit consists of 150 acres of female parent plants of the same type and variety (an additional 35 acres are occupied by the male parent plants, which are not insurable). Of the 150 acres, 50 acres were planted * * *'' or some similar statement. At the least, the latter should read ''The unit consists of 150 insurable acres * * *.''

Response: The late and prevented planting provisions, common to most crops, are deleted and moved to the Basic Provisions.

Comment: A reinsured company and an insurance service organization favored the elimination of the substitute crop provisions under prevented planting coverage.

Response: The late and prevented planting provisions, common to most crops, are deleted and moved to the Basic Provisions. FCIC has revised those provisions to remove the substitute crop provisions.

Comment: A reinsured company and an insurance service organization stated that section 13(d)(5), which defines the maximum eligible acreage for prevented planting, conflicts with the current provisions, which correctly states that the maximum eligible acres for seed corn is the number of acres the producer contracted for the crop year.

Response: FCIC has clarified the provision in the Basic Provisions.

Comment: A reinsured company stated that it understands that FCIC is revising prevented planting for 1998 and assumes these new provisions would be incorporated into the crop provisions for hybrid seed corn.

Response: The late and prevented planting provisions have been moved to the Basic Provisions and will be applicable to this policy.

Comment: A reinsured company and an insurance service organization recommended deleting section 14(d). Written agreements should not be limited to one year. Rather, such agreements should be valid for the period stated in the agreement. In most cases, written agreements should be continuous, as is the case with the policy. Limiting written agreements to one year only increases administrative cost, complexity and opportunity for misunderstanding and error.

Response: Written agreements are, by design, temporary and intended to address unusual circumstances. If the conditions that require a written agreement exists for multiple crop years, the policy or Special Provisions should be amended to accommodate the conditions. The written agreement provisions have been deleted and moved to the Basic Provisions.

Comment: An insurance service organization suggested that section 14(e) be combined with the provisions in section 14(a).

Response: Section 14(e) is intended to be a limited exception, not the rule, affecting only those cases in which conditions discovered after the sales closing date make a written agreement necessary. Therefore, these provisions should be kept separate. No change has been made in the Basic Provisions.

Comment: A reinsured company expressed a general concern about many of the mandatory requirements added to these provisions. In its view, most of these requirements are unnecessary. Failure to collect this information in prior years has not caused problems. The issues of reduced expense reimbursement and simplification should be considered prior to finalizing these provisions. This policy proposes to increase the expense of writing hybrid seed corn along with the added complexity involved from the additional collection requirements.

Response: FCIC understands the concerns of this commenter. These Crop Provisions were revised to reduce program vulnerabilities and make the insuring language more precise. FCIC has attempted to minimize any additional requirements imposed upon the policyholder, the reinsured company, and the seed company. All mandatory information is required to fairly and properly administer the policy.

In addition to the changes described above, FCIC has made minor editorial changes and has amended the following provisions:

1. The paragraph preceding section 1 has been revised to refer to the Catastrophic Risk Protection Endorsement for the purpose of clarification.

2. The definition of ''adjusted yield,'' ''amount of insurance per acre,'' ''approved yield,'' ''county yield,'' ''dollar value per bushel,'' ''field run,'' ''hybrid seed corn processor contract,'' and ''insurable interest'' have been revised for clarification.

3. A definition of ''coverage level factor'' has been added for clarification.

4. The definitions of ''days,'' ''FSA,'' ''final planting date,'' ''interplanted,'' ''irrigated practice,'' ''late planted,'' ''late planting period,'' and ''timely planted'' have been deleted and moved to the Basic Provisions.

5. The definition of ''good farming practices,'' ''planted acreage,'' and ''prevented planting'' have been revised to delete the provisions moved to the Basic Provisions.

6. The definition of ''practical to replant'' has been revised to clarify that it will not be considered practical to replant unless production from the replanted acreage can be delivered under the terms of the hybrid seed corn processor contract, or the seed company agrees to accept such production.

7. Section 2 has been revised to delete those provisions that have been moved to the Basic Provisions, and to clarify the unit structure for hybrid seed corn when the hybrid seed corn processor contract specifies an amount of production to be delivered.

8. Section 7(d) has been added to allow the insured crop that is under contract with different seed companies to be insured under separate policies with different insurance providers provided all acreage of the insured crop in the county is insured.

9. Section 8(c) has been revised for clarification.

10. In section 10(b)(4), the requirement that the crop be inspected and the loss appraised before harvest is completed has been deleted to be consistent with section 11(b)(1).

11. Section 12(c) has been revised for clarification. Also, an example of an indemnity calculation has been added for illustration. Section 12(d) is deleted since it was redundant with section 12(e) and the following section redesignated accordingly.

12. In section 12(e)(1)(I), as redesignated, adjusted yield has been changed to amount of insurance per acre.

13. In section 12(f)(3), as redesignated, the last sentence has been corrected to clarify that records of the seed company will only be used to determine the amount of production to count if the production is calculated on the same basis as that used to determine the approved yield.

14. Add provision specifying the prevented planting coverage available.

Good cause is shown to make this rule effective upon publication in the **Federal Register**. This rule improves the hybrid seed corn insurance coverage and brings it under the Common Crop Insurance Policy, Basic Provisions for consistency among policies. The earliest contract change date that can be met for the 1998 crop year is December 31, 1997. It is, therefore, imperative that these provisions be made final before that date so that reinsured companies and insureds may have sufficient time to implement these changes. Therefore, public interest requires the agency to act immediately to make these provisions available for the 1998 crop year.

List of Subjects in 7 CFR Parts 443 and 457

Crop insurance, Hybrid seed crop insurance regulations, Hybrid seed corn.

Final Rule

Accordingly, for the reasons set forth in the preamble, the Federal Crop Insurance Corporation hereby amends 7 CFR parts 443 and 457 as follows:

PART 443—HYBRID SEED CROP INSURANCE REGULATIONS FOR THE 1986 THROUGH 1997 CROP YEARS

1. The authority citation for 7 CFR part 443 continues to read as follows:

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

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

3. Subpart Heading ''Subpart—Regulations for the 1986 and Succeeding Crop Years'' is removed.

4. Section 443.7 is amended by revising the introductory text of paragraph (d) to read as follows:

§ 443.7 The application and policy.

* * * * *

(d) The application for the 1986 through 1997 crop years is found at subpart D of part 400, General Administrative Regulations (7 CFR 400.37 and 400.38). The provisions of the Hybrid Seed Crop Insurance

Regulations for the 1986 through 1997 crop years are as follows:

* * * * *

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

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

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

6. Section 457.152 is added to read as follows:

§ 457.152 Hybrid seed corn crop insurance provisions.

The Hybrid Seed Corn Crop Insurance Provisions for the 1998 and succeeding crop years are as follows:

FCIC policies:

United States Department of Agriculture

Federal Crop Insurance Corporation

Reinsured policies:

(Appropriate title for insurance provider)

Both FCIC and reinsured policies:

Hybrid Seed Corn Crop Provisions

If a conflict exists among the policy provisions, the order of priority is as follows: (1) The Catastrophic Risk Protection Endorsement, if applicable; (2) the Special Provisions; (3) these Crop Provisions; and (4) the Basic Provisions, (§ 457.8) with (1) controlling (2), etc.

1. Definitions.

Adjusted yield. An amount determined by multiplying the county yield by the coverage level factor.

Amount of insurance per acre. A dollar amount determined by multiplying the adjusted yield by the price election you select and subtracting any minimum guaranteed payment, not to exceed the total compensation specified in the hybrid seed corn processor contract. If your hybrid seed corn processor contract contains a minimum guaranteed payment that is stated in bushels, we will convert that value to dollars by multiplying it by the price election you selected.

Approved yield. In lieu of the definition contained in the Basic Provisions, an amount FCIC determines to be representative of the yield that the female parent plants are expected to produce when grown under a specific production practice. FCIC will establish the approved yield based upon records provided by the seed company and other information it deems appropriate.

Bushel. Fifty-six pounds avoirdupois of shelled corn, 70 pound avoirdupois of ear corn, or the number of pounds determined under the seed company's normal conversion chart when that chart is used to determine the approved yield and the claim for indemnity.

Certified seed test. A warm germination test performed on clean seed according to specifications of the ''Rules for Testing Seeds'' of the Association of Official Seed Analysts.

Commercial hybrid seed corn. The offspring produced by crossing a male and female parent plant, each having a different genetic character. This offspring is the product intended for use by an agricultural producer to produce a commercial field corn crop for grain.

County yield. An amount contained in the actuarial documents that is established by FCIC to represent the yield that a producer of hybrid seed corn would be expected to produce if the acreage had been planted to commercial field corn.

Coverage level factor. A factor contained in the Special Provisions to adjust the county yield for commercial field corn to reflect the higher value of hybrid seed corn.

Dollar value per bushel. An amount that determines the value of any seed production to count. It is determined by dividing the amount of insurance per acre by the result of multiplying the approved yield by the coverage level percentage, expressed as a decimal.

Female parent plants. Corn plants that are grown for the purpose of producing commercial hybrid seed corn and have had the stamens removed or are otherwise male sterile.

Field run. Commercial hybrid seed corn production before it has been dried, screened, or processed.

Good farming practices. In addition to the definition contained in the Basic Provisions, good farming practices include those practices required by the hybrid seed corn processor contract.

Harvest. Combining, threshing or picking ears from the female parent plants to obtain commercial hybrid seed corn.

Hybrid seed corn processor contract. An agreement executed between the hybrid seed corn crop producer and a seed company containing, at a minimum:

(a) The producer's promise to plant and grow male and female parent plants, and to deliver all commercial hybrid seed corn produced from such plants to the seed company;

(b) The seed company's promise to purchase the commercial hybrid seed corn produced by the producer; and

(c) Either a fixed price per unit of measure (bushels, hundredweight, etc.) of the commercial hybrid seed corn or a formula to determine the value of such seed. Any formula for establishing the value must be based on data provided by a public third party that establishes or provides pricing information to the general public, based on prices paid in the open market (*e.g.*, commodity futures exchanges), to be acceptable for the purpose of this policy.

Inadequate germination. Germination of less than 80 percent of the commercial hybrid seed corn as determined by using a certified seed test.

Insurable interest. Your share of the financial loss that occurs in the event seed production is damaged by a cause of loss specified in section 10.

Local market price. The cash price offered by buyers for any production from the female parent plants that is not considered commercial hybrid seed corn under the terms of this policy.

Male parent plants. Corn plants grown for the purpose of pollinating female parent plants.

Minimum guaranteed payment. A minimum amount (usually stated in dollars or bushels) specified in your hybrid seed corn processor contract that will be paid or credited to you by the seed company regardless of the quantity of seed produced.

Non-seed production. Production that does not qualify as seed production because of inadequate germination.

Planted acreage. In addition to the definition contained in the Basic Provisions, the insured crop must be planted in rows wide enough to permit mechanical cultivation, unless otherwise provided by the Special Provisions or by written agreement.

Planting pattern. The arrangement of the rows of the male and female parent plants in a field. An example of a planting pattern is four consecutive rows of female parent plants followed by two consecutive rows of male parent plants.

Practical to replant. In addition to the definition contained in the Basic Provisions, practical to replant applies to either the female or male parent plant. It will not be considered practical to replant unless production from the replanted acreage can be delivered under the terms of the hybrid seed corn processor contract, or the seed company agrees that it will accept the production from the replanted acreage.

Prevented planting. In addition to the definition contained in the Basic Provisions, prevented planting applies to the female and male parent plants. The male parent plants must be planted in accordance with the requirements of the hybrid seed corn processor contract to be considered planted.

Sample. For the purpose of the certified seed test, at least 3 pounds of randomly selected field run shelled corn for each variety of commercial hybrid seed corn grown on the unit.

Seed company. A business enterprise that possesses all licenses for marketing commercial hybrid seed corn required by the state in which it is domiciled or operates, and which possesses facilities with enough storage and drying capacity to accept and process the insured crop within a reasonable amount of time after harvest. If the seed company is the insured, it must also be a corporation.

Seed production. All seed produced by female parent plants with a germination rate of at least 80 percent as determined by a certified seed test.

Shelled corn. Kernels that have been removed from the cob.

Variety. The name, number or code assigned to a specific genetic cross by the seed company or the Special Provisions for the insured crop in the county.

2. Unit Division.

For any processor contract that stipulates the amount of production to be delivered:

(a) In lieu of the definition of ''basic unit'' contained in the Basic Provisions, a basic unit will consist of all acreage planted to the insured crop in the county that will be used to fulfill a hybrid seed corn processor contract;

(b) There will be no more than one basic unit for all production contracted with each processor contract;

(c) In accordance with section 12, all production from any basic unit in excess of the amount under contract will be included as production to count if such production is applied to any other basic unit for which the contracted amount has not been fulfilled; and

(d) Optional units will not be established.

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

(a) In addition to the requirements of section 3 of the Basic Provisions, you may select only one price election for all the hybrid seed corn in the county insured under this policy unless the Special Provisions provide different price elections by variety, in which case you may select one price election for each hybrid seed corn variety designated in the Special Provisions. The price election you choose for each variety must have the same percentage relationship to the maximum price offered by us for each variety. For example, if you choose 100 percent of the maximum price election for one specific variety, you must also choose 100 percent of the maximum price election for all other varieties.

(b) The production reporting requirements contained in section 3 of the Basic Provisions are not applicable to this contract.

4. Contract Changes.

In accordance with section 4 of the Basic Provisions, the contract change date is November 30 preceding the cancellation date.

5. Cancellation and Termination Dates.

In accordance with section 2 of the Basic Provisions, the cancellation and termination dates are March 15.

6. Report of Acreage.

In addition to the requirements of section 6 of the Basic Provisions, you must:

(a) Report by type and variety, the location and insurable acreage of the insured crop;

(b) Report any acreage that is uninsured, including that portion of the total acreage occupied by male parent plants; and

(c) Certify that you have a hybrid seed corn processor contract and report the amount, if any, of any minimum guaranteed payment.

7. Insured Crop.

(a) In accordance with section 8 of the Basic Provisions, the crop insured will be all the female parent plants in the county for which a premium rate is provided by the actuarial documents:

(1) In which you have a share;

(2) That are grown under a hybrid seed corn processor contract executed before the acreage reporting date;

(3) That are planted for harvest as commercial hybrid seed corn in accordance with the requirements of the hybrid seed corn processor contract and the production management practices of the seed company; and

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

(i) Planted with a mixture of female and male parent seed in the same row;

(ii) Planted for any purpose other than for commercial hybrid seed corn;

(iii) Interplanted with another crop; or

(iv) Planted into an established grass or legume.

(b) An instrument in the form of a ''lease'' under which you retain control of the acreage on which the insured crop is grown and that provides for delivery of the crop under substantially the same terms as a hybrid seed corn processor contract will be treated as a contract under which you have an insurable interest in the crop.

(c) A commercial hybrid seed corn producer who is also a seed company may be able to insure the hybrid seed corn crop if the following requirements are met:

(1) The seed company has an insurable interest in the hybrid seed corn crop;

(2) Prior to the sales closing date, the Board of Directors of the seed company has executed and adopted a corporate resolution that contains the same terms as a hybrid seed corn processor contract. This corporate resolution will be considered a contract under this policy;

(3) Sales records for at least the previous years' seed production must be provided to confirm that the seed company has produced and sold seed. If such records are not available, the crop may be insured under the Coarse Grains Crop Provisions with a written agreement; and

(4) Our inspection reveals that the storage and drying facilities satisfy the definition of a seed company.

(d) Any of the insured crop that is under contract with different seed companies may be insured under separate policies with different insurance providers provided all acreage of the insured crop in the county is insured. If you elect to insure the insured crop with different insurance providers, you agree to pay separate administrative fees for each insurance policy.

8. Insurable Acreage.

In addition to the provisions of section 9 of the Basic Provisions, we will not insure any acreage of the insured crop:

(a) Planted and occupied exclusively by male parent plants;

(b) Not in compliance with the rotation requirements contained in the Special Provisions or, if applicable, required by the hybrid seed corn processor contract; or

(c) If either the female or male parent plants are damaged before the final planting date and we determine that the insured crop is practical to replant but it is not replanted.

9. Insurance Period.

(a) In addition to the provisions of section 11 of the Basic Provisions, insurance attaches upon completion of planting of:

(1) The female parent plant seed on or before the final planting date designated in the Special Provisions, except as allowed in section 16 of the Basic Provisions; and

(2) The male parent plant seed.

(b) In accordance with the provisions of section 11 of the Basic Provisions, the calendar date for the end of the insurance period is the October 31 immediately following planting.

10. Causes of Loss.

(a) In accordance with the provisions of section 12 of the Basic Provisions, insurance is provided only against the following causes of loss that occur within the insurance period:

(1) Adverse weather conditions;

(2) Fire;

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

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

(5) Wildlife;

(6) Earthquake;

(7) Volcanic eruption; or

(8) Failure of the irrigation water supply, if due to a cause of loss contained in section 10(a) (1) through (7) that occurs during the insurance period.

(b) In addition to the causes of loss excluded by section 12 of the Basic Provisions, we will not insure against any loss of production due to:

(1) The use of unadapted, incompatible, or genetically deficient male or female parent plant seed;

(2) Frost or freeze after the date established by the Special Provisions;

(3) Failure to follow the requirements stated in the hybrid seed corn processor contract and production management practices of the seed company;

(4) Inadequate germination, even if resulting from an insured cause of loss, unless you have provided adequate notice as required by section 11(b)(1); or

(5) Failure to plant the male parent plant seed at a time or in a manner sufficient to assure adequate pollination of the female parent plants, unless you are prevented from planting the male parent plant seed by an insured cause of loss.

11. Duties In The Event of Damage or Loss.

(a) In accordance with the requirements of section 14 of the Basic Provisions, you must leave representative samples of at least one complete planting pattern of the female and male parent plant rows and extend the entire length of each field in the unit. If you are going to destroy any acreage of the insured crop that will not be harvested, the samples must not be destroyed until after our inspection.

(b) In addition to the requirements of section 14 of the Basic Provisions:

(1) You must give us notice of probable loss at least 15 days before the beginning of harvest if you anticipate inadequate germination on any unit; and

(2) You must provide a completed copy of your hybrid seed corn processor contract unless we have determined it has already been provided by the seed company, and the seed company certifies that such contract is used for all its growers without any waivers or amendments.

12. Settlement of Claim.

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

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

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

(b) You will not receive an indemnity payment on a unit if the seed company refuses to provide us with records we require to determine the dollar value per bushel of production for each variety.

(c) 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 its respective amount of insurance per acre, by type and variety if applicable;

(2) Totaling the results of section 12(c)(1) if there are more than one type or variety;

(3) Multiplying the total seed production to count (see section 12(d)) for each type and variety of commercial hybrid seed corn by the applicable dollar value per bushel for that type or variety;

(4) Multiplying the total non-seed production to count (see section 12(e)) for each type and variety by the applicable local market price determined on the earlier of the date the non-seed production is sold or the date of final inspection;

(5) Totaling the results of sections 12(c)(3) and 12(c)(4) by type and variety;

(6) Subtracting the result of section 12(c)(5) from the result of section 12(c)(1) if there is only one type or variety, or subtracting the result of 1or variety; and

(7) Multiplying the result of section 12(c)(6) by your share. For example:

You have a 100 percent share in 50 acres insured for the development of variety ''A'' hybrid seed corn in the unit, with an amount of insurance per acre guarantee of $340 (county yield of 160 bushels times a coverage level factor of .867 for the 65 percent coverage level, times a price election of $2.45 per bushel, minus the minimum guaranteed payment of zero). Your seed production was 1,400 bushels and the dollar value per bushel was $9.80. Your non-seed production was 100 bushels with a local market value of $2.00 per bushel. Your indemnity would be calculated as follows:

(1) 50 acres×$340=$17,000 amount of insurance guarantee;

(3) 1,400 bushels×$9.80=$13,720 value of seed production;

(4) 100 bushel of non-seed×$2.00=$200 of non-seed production;

(5) $13,720+$200=$13,920;

(6) $17,000 − $13,920=$3,080; and

(7) $3,080×100 percent share=$3,080 indemnity payment.

You also have a 100 percent share in 50 acres insured for the development of variety ''B'' hybrid seed corn in the unit, with an amount of insurance per acre guarantee of $297 (county yield of 140 bushels times a coverage level factor of .867 for the 65 percent coverage level, times a price election of $2.45 per bushel, minus the minimum guaranteed payment of zero). You harvested 1,200 bushels and the dollar value per bushel for the harvested amount was $8.56. You also harvested 200 bushels of non-seed with a market value of $2.00 per bushel. Your indemnity would be calculated as follows:

(1) 50 acres×$340=$17,000 amount of insurance guarantee for type ''A'' and 50 acres×$297=$14,850 amount of insurance guarantee for type ''B'';

(2) $17,000+$14,850=$31,850 amount of insurance guarantee;

(3) 1,400 bushels×$9.80=$13,720 value of seed production for type ''A'' and 1,200 bushels×$8.56=$10,272 value of seed production for type ''B'';

(4) 100 bushels of non-seed×$2.00=$200 of non-seed production for type ''A'' and 200 bushels of non-seed×$2.00=$400 of non-seed production for type ''B'';

(5) $13,720+$200+$10,272+$400=$24,592 value of production to count;

(6) $31,850 − $24,592=$7,258; and

(7) $7,258×100 percent share=$7,258 indemnity payment.

(d) Production to be counted as seed production will include:

(1) All appraised production as follows:

(i) Not less than the amount of insurance per acre for acreage:

(A) That is abandoned;

(B) Put to another use without our consent;

(C) That is damaged solely by uninsured causes; or

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

(ii) Production lost due to uninsured causes;

(iii) Mature unharvested production with a germination rate of at least 80 percent of the commercial hybrid seed corn as determined by a certified seed test. Any such production may be adjusted in accordance with section 12(f);

(iv) Immature appraised production;

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

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

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

(2) Harvested production that you deliver as commercial hybrid seed corn to the seed company stated in your hybrid seed corn processor contract, regardless of quality, unless the production has inadequate germination.

(e) Production to be counted as non-seed production will include all harvested or mature appraised production that does not qualify as seed production to count as specified in section 12(d). Any such production may be adjusted in accordance with section 12(f).

(f) For the purpose of determining the quantity of mature production:

(1) Shelled commercial hybrid seed corn will be:

(i) Increased 0.12 percent for each 0.1 percentage point of moisture below 15 percent; or

(ii) Decreased 0.12 percent for each 0.1 percentage point of moisture in excess of 15 percent.

(2) The weight of ear corn required to equal one bushel of shelled seed corn will be increased 1.5 pounds for each full percentage point of moisture in excess of 14 percent, and any portion of a percentage point will be disregarded. The moisture content of ear corn will be determined from a shelled sample of the ear corn.

(3) When records of commercial hybrid seed corn production provided by the seed company have been adjusted to a shelled corn basis of 15.0 percent moisture and 56 pound avoirdupois bushels, sections 12(f)(1) and (2) above will not apply to harvested production. In such cases, records of the seed company will be used to determine the amount of production to count, provided that the moisture and weight of such production are calculated on the same basis as that used to determine the approved yield.

13. Prevented Planting.

Your prevented planting coverage will be 50 percent of your amount of insurance for timely planted acreage. If you have limited or additional levels of coverage as specified in 7 CFR part 400, subpart T, and pay an additional premium, you may increase your prevented planting coverage to a level specified in the actuarial documents.

Signed in Washington, D.C., on December 5, 1997.

Kenneth D. Ackerman,

Manager, Federal Crop Insurance Corporation.

[FR Doc. 97–32498 Filed 12–11–97; 8:45 am]

BILLING CODE 3410–08–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 97–NM–295–AD; Amendment 39–10250; AD 97–26–07]

RIN 2120–AA64

Airworthiness Directives; Boeing Model 747 Series Airplanes

AGENCY: Federal Aviation Administration, DOT.

ACTION: Final rule; request for comments.

SUMMARY: This amendment supersedes an existing airworthiness directive (AD), applicable to certain Boeing Model 747 series airplanes, that currently requires a one-time inspection to detect damage of the sleeving and wire bundles of the boost pumps of the numbers 1 and 4 main fuel tanks, and of the auxiliary tank jettison pumps (if installed); replacement of any damaged sleeving with new sleeving; and repair or replacement of any damaged wires with new wires. For airplanes on which any