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Federal Crop
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Corporation

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HYBRID SPECIALTY SEED (PILOT) INSURANCE STANDARDS HANDBOOK

2021 and Succeeding Crop Years

**UNITED STATES DEPARTMENT OF AGRICULTURE
RISK MANAGEMENT AGENCY
KANSAS CITY, MISSOURI 64133**

TITLE: HYBRID SPECIALTY SEED (PILOT) INSURANCE STANDARDS HANDBOOK	NUMBER: FCIC-24370
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SUBJECT: Provides procedures and instructions for administering the Hybrid Specialty Seed (Pilot) crop insurance program.	OPI: Product Administration and Standards Division
	APPROVED: <i>/s/ Richard H. Flourney</i> Deputy Administrator for Product Management

REASON FOR ISSUANCE

The Hybrid Specialty Seed (Pilot) Handbook is being issued and is effective for the Hybrid Specialty Seed Crop Insurance (Pilot) available beginning with the 2021 crop year. This issuance obsoletes the Hybrid Sweet Corn Seed (Pilot) Handbook. Hybrid Specialty Seed covers both Hybrid Popcorn Seed (0034) and Hybrid Sweet Corn Seed (0093).

CONTROL CHART

Hybrid Specialty Seed Pilot Insurance Standards Handbook							
	TP Page(s)	TC Page(s)	Text Page(s)	Exhibit Number	Exhibit Page(s)	Date	Directive Number
Insert	Entire Handbook						
Current Index	1-2	1-2	1-7	1	8	02-2021	FCIC-24340
				2	9-11	02-2021	FCIC-24340

FILING INSTRUCTIONS

This handbook obsoletes the 2019 Hybrid Sweet Corn Seed Insurance Standards Handbook, FCIC-24340 (11-2018). This handbook is effective for the 2021 and succeeding crop years and is not retroactive to any 2020 or prior crop year determinations.

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PART 1 GENERAL INFORMATION AND RESPONSIBILITIES

1 General Information

A. Purpose

This handbook provides procedure for administrating the HSS pilot program in accordance with the HSS CP, and supplements the CIH, GSH and LAM via exceptions, changes, and additions. If there is a conflict between this handbook and the CIH, GSH or the LAM, this handbook controls.

B. Source of Authority

The HSCS pilot program was an RMA developed product approved by the FCIC Board of Directors on September 16, 2015, under Section 523 of the Federal Crop Insurance Act. HPS was added to the HSCS program by the FCIC Board of Directors on March 5, 2020. HSS is the umbrella pilot program name that covers both HSCS and HPS. This handbook provides the FCIC-approved procedures for administering the pilot.

C. Duration

The HSS pilot program is available beginning with the 2021 crop year and is authorized until terminated or converted to a permanent program by the FCIC Board of Directors.

D. Pilot Area

See Actuarial Documents for the pilot area.

E. Applying for the HSS Pilot Program

AIPs shall use the standard application for the HSS pilot program. The application must indicate the insured has selected HSS Pilot Crop Provisions along with other required information.

1 General Information (continued)

F. Related Handbooks

The following table identifies handbooks related to the HSS pilot program.

Handbook	Relation/Purpose
CIH	This handbook provides the official FCIC-issued underwriting standards for policies covered under the Common Crop Insurance Policy Basic Provisions and Area Risk Protection Insurance, including the Catastrophic Risk Protection Endorsement and Supplemental Coverage Option; and the Actual Production History Regulation G.
DSSH	Provides the official FCIC approved form standards and procedures for use in the sale and service of any eligible Federal Crop insurance policy.
GSH	Provides the general administrative standards that apply across all plans of insurance.
HSS LASH	Loss procedures for Hybrid Specialty Seed.
LAM	Identifies loss adjustment standards and requirements for determining production or revenue and adjusting crop insurance claims.
PPSH	Prevented planting loss adjustment procedures.

G. Major Differences between HSS and HSCS

HSCS Pilot	HSS Pilot
Insurable Crop: HSCS	Insurable Crops: HSCS and HPS
Approved Yield Process used to calculate indemnity.	Approved Yield Process does not apply.
Dollar Value per Pound used to calculate indemnity.	Contract Price used to calculate indemnity.

2 Responsibilities

A. AIP Responsibilities

AIPs must use standards, procedures, methods and instructions as authorized by FCIC in the sale and service of crop insurance contracts. Each AIP is responsible for using RMA approved procedure. AIPs should report any pilot program issues or concerns to the Product Administration and Standards Division (PASD) of the Risk Management Agency (RMA).

B. Insured's Responsibilities

To be eligible for the HSS pilot program, insured must comply with all terms and conditions of the Basic Provisions, and the HSS Pilot Crop Provisions.

PART 2 INSURABILITY

21 Insurable Crop

The crop(s) insured shall be Hybrid Sweet Corn Seed (0093) and/or Hybrid Popcorn Seed (0334) as designated on the application. These crops are separately insurable as elected by the applicant.

The following may not be a complete list of insurability requirements. Refer to the BP, CP, and SP for a complete list.

- (1) Total planted acres of female and male parent plants for the production of a HSS crop are insurable.
- (2) A HSS processor contract is required.
 - (a) The contract must be executed before the acreage reporting date.
 - (b) The insured must provide a copy of the HSS processing contract in the event of damage or loss.
- (3) Only an irrigated practice is insurable.
- (4) Only standard planting is insurable.
- (5) Only the production from the female parent plant is insurable.
 - (a) This includes HSS intended to be planted for the production of sweet corn and popcorn.
 - (b) Insurance does not extend to additional generations of the seed crop.
- (6) A HSS producer who is also a seed company may be able to insure the hybrid specialty crop if:
 - (a) The seed company has an insurable interest;
 - (b) The Board of Directors of the seed company has executed and adopted a corporate resolution that contains the same terms as a HSS contract;
 - (c) The seed company provides sales records for the previous year's seed production; and
 - (d) An inspection shows that the drying, conditioning and storage facilities satisfy the definition of a seed company.

21 Insurable Crop (Continued)

- (7) The insured may insure any of the insured crop that is contracted with different seed companies under separate policies with different insurance providers if:
 - (a) The insured insures all acreage of the insured crop in the county.
 - (b) The insured agrees to pay separate administrative fees for each insurance policy.

22 Insurable Type and Practices

- (1) The insurable type is standard planting.
- (2) Insurable practices are:
 - (a) Irrigated 002
 - (b) Irrigated Organic Certified 702
 - (c) Irrigated Organic Transitional 712

23 Units

A. The Definition of “Basic Unit” differs from the Definition in the Basic Provisions.

- (1) This definition:
 - (a) states that a basic unit is all acreage planted to each separately insured crop in the county that will be used to fulfill a HSS processor contract;
 - (b) allows no more than one basic unit for all production contracted with each processor contract or contract addenda.

B. Unit types that do not apply to this program are:

- (1) Optional units by section, section equivalent, FSA farm serial number and by irrigated and non-irrigated practices.
- (2) Enterprise, Multi-county enterprise, and whole farm units.

24 Coverage Levels

Coverage is available in 5 percent increments from 50 percent to 75 percent. CAT coverage is also available.

25 Hybrid Seed Price Endorsement (02-HSPE)

The Hybrid Seed Price Endorsement does not apply to the HSS pilot program.

26-30 (Reserved)

PART 3 APPLICABILITY OF HANDBOOKS

31 General Overview

This part identifies information specific to the applicability of the CIH, DSSH, GSH, LAM, PPSH and any other procedural issuance that may require supplemental information with regard to the HSS pilot program. Unless specifically amended, supplemented or deleted by information in this handbook, all policy and procedure issuances apply to the HSS pilot program.

32 Specific Information Regarding the Crop Insurance Handbook

The general rules of crop insurance, as provided in the GSH, apply to the HSS pilot program.

The following table provides general information, changes, additions, deletions and/or modifications, and termed supplemental instructions regarding the applicability of the CIH to the YDO HSS pilot program.

Throughout the CIH the following exception applies:

- (1) Written agreements are not applicable to the HSS pilot program.
- (2) The unit of measure for the HSS pilot program is pounds.
- (3) For the HSS pilot program, both female and male acres are insurable for the production of a HSS crop.

CIH References	Supplemental Instructions
Part 9, Paragraphs 902 and 904	The Catastrophic Risk Protection Endorsement and the Hail and Fire Exclusion Option apply.
Part 10	Basic units will be established by processor contract. There will be no more than one basic unit for each separately insured crop for all production contracted with each contract or contract addenda.
Part 11, Section 1, Paragraphs 1101-1106	Applies. Only an irrigated practice is insurable.
Part 12, Sections 1 and 2	LPO applies. Add HSS to table entry in paragraph 1215 E with Cotton, Hybrid Seed Corn and Peanuts. Footnote 3 applies.
Parts 13-19.	Does not apply.
Part 20, Paragraphs 2001 and 2047	Add HSS to paragraph 2001 list of crops. Refer to paragraph 2047 for definition of standard planting.

32 Specific Information Regarding the Crop Insurance Handbook (continued)

CIH References	Supplemental Instructions
Part 20, Section 7	Add HSS to paragraph 2043. Replace any reference to bushels with pounds. In paragraph 2047, the amount of insurance is determined by multiplying the county yield by the price election and subtracting any minimum guaranteed payment, not to exceed the total compensation specified in the HSS processor contract.
Exhibits 20 (a) and (f)	Applies. HSS yields are reported in gross acres.

33 Prevented Planting Standards Handbook

The PPSH is applicable to the HSS pilot program.

34 Loss Adjustment Manual

The procedures identified in the LAM are adopted for the HSS pilot program, except replant payments are not available (Part 7, Section 2).

35 Hybrid Specialty Seed Pilot Loss Adjustment Standards Handbook

The HSS Loss Adjustment Standards Handbook applies.

36 Document and Supplemental Standards Handbook (DSSH)

A. General Information

Unless specifically amended or supplemented by information in this Insurance Standards Handbook, all standards in the DSSH apply.

37-40 (Reserved)

EXHIBITS

Exhibit 1 Acronyms and Abbreviations

The following table provides the acronyms and abbreviations used in this handbook.

Approved Acronym/Abbreviation	Term
AIP	Approved Insurance Provider
BP	Basic Provisions
CAT	Catastrophic Risk Protection
CIH	Crop Insurance Handbook, FCIC-18010
CP	Crop Provisions
DSSH	Document and Supplemental Standards Handbook, FCIC-24040
FCIC	Federal Crop Insurance Corporation
GSH	General Standards Handbook, FCIC 18190
HPS	Hybrid Popcorn Seed
HSCS	Hybrid Sweet Corn Seed
HSS	Hybrid Specialty Seed
LAM	Loss Adjustment Manual, FCIC-25010
PPSH	Prevented Planting Standards Handbook, FCIC-25370
RMA	Risk Management Agency
SP	Special Provisions

Exhibit 2 Definitions

Amount of insurance per acre means the guarantee minus any minimum guaranteed payment.

Certified seed test means a warm germination test performed on clean seed according to specifications of the “Rules for Testing Seeds” of the Association of Official Seed Analysts.

Clean seed means HSS which has been conditioned by the processor.

Condition means a process to remove the husk, chaff, immature and undersized seeds, weed seeds, inert matter, other crop seeds, and other materials from the field run production to the extent such removal is possible and subsequently drying the HSS.

County yield means an amount contained in the actuarial documents that is established by FCIC to represent the yield that a producer of HSS would be expected to produce.

Contract price means the price per pound of clean conditioned specialty seed stipulated on the HSS processor contract without regard to discounts or incentives.

Contract value means the total compensation specified in the HSS processor contract. Determined by multiplying the dollar price per pound or price per kilogram times the expected yield stated in the seed company contract.

Female parent plants means specialty plants that are grown for the purpose of producing HSS and have had the stamens removed or are otherwise male sterile.

Field-run means the HSS production before it has been conditioned.

Good farming practices means, in addition to the definition contained in the BP, those practices required by the HSS processor contract.

Harvest means combining, threshing or picking ears from the female parent plants to obtain HSS.

Hybrid specialty seed means 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 a grower to produce a commercial crop of:

- (a) Hybrid sweet corn seed; or
- (b) Hybrid popcorn seed.

Exhibit 2 Definitions (continued)

Hybrid specialty seed processor contract means a legal contractual written agreement executed between a HSS 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 field run HSS produced from the female plants to the hybrid seed company;
- (b) the seed company's promise to purchase the HSS produced by the producer; and
- (c) a stated value, compensation, or method to derive a value that will be paid to the producer for the production as specified in the HSS processor contract or contract addenda (excluding any incentives or overproduction compensation that may apply) for the conditioned HSS seed variety.

Inadequate germination means germination that is less than required in the HSS processor contract as determined using a certified seed test. Inadequate germination does not include circumstances when the processor accepts and pays at least the base contract price for seed at a germination percentage lower than the requirement specified in the HSS processor contract.

Insurable interest means the insured's share of the financial loss that occurs in the event seed production is damaged by a cause of loss specified in Section 10 of the CP.

Male parent plants mean specialty plants grown for the purpose of pollinating the female parent plants.

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

Planted acreage means, in addition to the definition contained in the BP, the insured crop must be planted in rows wide enough to permit mechanical cultivation unless otherwise provided by the SP.

Pound means a unit of weight equal to 16 ounces avoirdupois.

Practical to replant means in addition to the definition contained in the BP, 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 HSS processor contract, or the seed company agrees in writing that it will accept the production from the replanted acreage.

Prevented planting means in addition to the definition contained in the BP, applies to the female and male parent plants. The male parent plants must be planted in accordance with the requirements of the HSS processor contract to be considered planted.

Exhibit 2 Definitions (continued)

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

Sample means, for the purpose of the certified seed test, at least three pounds of randomly selected field run specialty seed for each type or variety of HSS grown on the unit.

Seed company means a business enterprise that possesses all licenses for marketing HSS required by the state in which it is domiciled or operates or a food company that offers HSS processor contracts, and which possesses, or has contractual access to, 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 means all conditioned seed produced by female parent plants of appropriate dryness and size, with a germination rate specified in the HSS processor contract as determined using a certified seed test. Accepted production with inadequate germination that is paid at less than the base contract price shall also be included and expressed in a good seed equivalent weight. Example: Base contract price of \$ 2.00 per pound. 10,000 pounds of inadequate germination production accepted and paid \$1.50 per pound. $10,000 \times 1.50 / 2.00 = 7,500$ pounds of good seed equivalent production.

Shelled specialty corn means hybrid sweet corn or hybrid popcorn kernels that have been removed from the cob.

Variety means the name, number or code assigned to a specific genetic cross by the seed company or as listed in the SP for the insured crop in the county.