SUMMARY OF CHANGES FOR THE
POMEGRANATE CROP PROVISIONS (24-0467)
(Released August 2023)

The following is a brief description of changes to the Pomegranate Crop Provisions that will be effective for the 2024 and succeeding crop years. Please refer to the Pomegranate Crop Provisions for more complete information.

- Section 2 –
    - Clarified that optional units may be established by non-contiguous land;
    - Allowed optional units by type; and
    - Added “of these Crop Provisions” for consistency with other references within the document and to eliminate potential conflicts with the CCIP Basic Provisions.

- Section 3 –
    - Revised the procedures for reduction of approved yield and the impact of the insured’s failure to notify the AIP of any reduction in prior yields; and
    - Updated paragraph (i) for reporting the production, fresh pack out percent, and packing house to be consistent with the recent Same Year Production Reporting changes in the CCIP Basic Provisions Actual Production History and Other Crop Insurance Transparency Rule published June 30, 2023.

- Section 8 – Revised section 8(a)(1) to remove the January 31 insurance attachment date.

- Throughout – Updated references to the Basic Provisions to coincide with the changes for the 2024 crop year.

24-0467
(Released August 2023)

UNITED STATES DEPARTMENT OF AGRICULTURE
Federal Crop Insurance Corporation
POMEGRANATE CROP PROVISIONS

1. **Definitions**

Harvest - The picking of mature pomegranates from the trees.

Historical fresh pack out percent - The simple average pack out percent by type for fresh fruit for the current crop year determined based on your most recent consecutive four crop years of pack out records for each unit of the crop as specified in section 3(i) of these Crop Provisions. The pack out records must be from the same packing house for the four-year period. If you have less than four consecutive crop years of consecutive pack out records from the same packing house for an applicable type or if you change to a different packing house for the current crop year, your historic fresh pack out percent for such type will be zero and you will not be eligible for any quality adjustment allowed under section 11(c)(2)(i) and (ii) of these Crop Provisions.

Interplanted - In lieu of the definition contained in the Basic Provisions, acreage on which two or more crops are planted in any form of alternating or mixed pattern.

Pomegranates - Any type or variety of pomegranate that is grown in the area for the production of pomegranates for fresh and processing purposes.

Program pack out percent - The percent contained in the Special Provisions and used to determine the standardized fresh pack out percent.

Quality adjustment trigger - The value determined by multiplying the program pack out percent by 90 percent, expressed as a whole percent, and used to determine eligibility for quality adjustment of harvested fresh production.

Set out - Transplanting a tree into the orchard.

Standardized fresh pack out percent - The result of:

(a) Dividing your current year's actual fresh pack out percent for each type by your historical pack out percent;

(b) Multiplying the result by the program pack out percent; and

(c) Rounding the result to the nearest whole percent.

For example, (25 percent actual fresh pack out ÷ 40 percent historic fresh pack out) × 35 percent program pack out = 22 percent standardized fresh pack out percent.

Ton - Two thousand (2,000) pounds avoirdupois.

Type - Each category of pomegranate specified in the Special Provisions.

Unmarketable - Pomegranates that cannot be processed into products for human consumption.

2. **Unit Division**

(a) A basic unit will be established in accordance with the definition in section 1 of the Basic Provisions.

(b) In lieu of section 34(c) of the Basic Provisions, optional units may only be established:

(1) If each optional unit is located on non-contiguous land; or

(2) For each type specified in the Special Provisions.

(c) In lieu of section 34(a)(2)(i) and (2)(ii) of the Basic Provisions, to qualify for an enterprise unit:

(1) The enterprise unit must contain all insurable acreage of the same insured crop in:

(i) Two or more optional units;

(ii) Two or more sections, section equivalents, or FSA farm numbers where sections, section equivalents, or FSA farm numbers are applicable for unit division purposes; or

(iii) Any combination of two or more parcels under section 2(c)(1)(i) or (ii) of these Crop Provisions; and

(2) At least two of the optional units, sections, section equivalents, or FSA farm numbers under section 2(c)(1)(i) - (iii) of these Crop Provisions each must contain at least the lesser of 20 acres or 20 percent of the insured crop acreage in the enterprise unit. Separate optional units, sections, section equivalents, or FSA farm numbers may be aggregated to meet the 20-acre or 20-percent acreage requirement.

(d) Enterprise units must be administered in accordance with section 34(a)(2)(iv) - (vii) of the Basic Provisions.

(e) No other unit or unit division under section 34 of the Basic Provisions is applicable unless allowed in the Special Provisions.

3. **Insurance Guarantees, Coverage Levels, and Prices**

In lieu of the requirements of section 3(b)(1)(ii) and (iii) of the Basic Provisions:

(a) You may select a different coverage level for each insured type in the county insured under this policy. For example, you may elect the 75 percent coverage level on one type and the 65 percent coverage level on a different type.

(b) If the actuarial documents designate separate prices by type, you may select a different price for each type so designated in the Special Provisions even if the prices for each type are the same. The prices you choose for each type are not required to have the same percentage relationship to the maximum price offered by us for each type. For example, if you choose 100 percent of the maximum price for one type, you may choose 75 percent of the maximum price for another type.

(c) Notwithstanding section 3(a) and (b) of these Crop Provisions, if you elect the Catastrophic Risk Protection (CAT) plan of insurance coverage, the CAT level of coverage and price election will be applicable to all insured pomegranate acreage in the county.

(d) In addition to section 3 of the Basic Provisions, you must report your fresh pack out percent and packing house by the production reporting date for purposes of establishing your historic fresh pack out percent and eligibility for quality adjustment under these Crop Provisions.

(e) You may elect by the sales closing date the option to exclude quality adjustment provided by these Crop Provisions and receive a reduced premium. If you do not elect the quality adjustment exclusion, your premium will be based on the premium rates contained in the actuarial documents regardless of whether you qualify for quality adjustment based on the eligibility requirements contained in section 1 of these Crop Provisions.

(f) You must report, by the production reporting date designated in section 3 of the Basic Provisions, by type:
  (1) Any damage, removal of trees, change in practices or any other circumstance that may reduce the expected yield below the yield upon which the insurance guarantee is based, and the number of affected acres;
  (2) The number of bearing trees on insurable and uninsurable acreage;
  (3) The age of the trees and the planting pattern; and
  (4) For the first year of insurance for acreage interplanted with another perennial crop, and any time the planting pattern of such acreage is changed:
    (i) The age of the interplanted crop, and type if applicable;
    (ii) The planting pattern; and
    (iii) Any other information that we request in order to establish your approved yield.

(g) We will reduce your approved yield, as necessary, based on our estimate of the effect of any circumstance listed in section 3(f) that may reduce your yields from previous levels. If you fail to notify us of any circumstance that may reduce your yields from previous levels, we will reduce your production guarantee at any time we become aware of the circumstance. If the circumstance occurred:
  (1) Before the beginning of the insurance period and you notify us by the production reporting date, your approved yield will be reduced for the current crop year regardless of whether the circumstance was due to an insured or uninsured cause of loss;
  (2) After the beginning of the insurance period and you notify us by the production reporting date, your approved yield will be reduced for the current crop year only if the potential reduction in the yield used to establish your production guarantee is due to an uninsured cause of loss; or
  (3) Before or after the beginning of the insurance period and you fail to notify us by the production reporting date, an amount equal to the reduction in the yield will be added to the production to count calculated in section 11(c) of these Crop Provisions due to uninsured causes. We will reduce your approved yield for the subsequent crop year to reflect any reduction in the productive capacity of the trees or in the yield potential of the insured acreage.

(h) You may not increase your elected or assigned coverage level or the ratio of your price election to the maximum price election if a cause of loss that could or would reduce the yield of the insured crop has occurred prior to the time that you request the increase.

(i) Instead of reporting your production for the current crop year, as required by section 3(f)(1) of the Basic Provisions, there is a lag year and you are required to report your production from two crop years ago by the production reporting date, e.g., 2022 crop year production must be reported by the production reporting date for the 2024 crop year. Reporting your annual fresh pack out percent and packing house as required by section 1 of these Crop Provisions is also subject to a lag year. Reporting your annual fresh pack out percent and packing house must match the crop year for which you are reporting your pomegranate production.

4. Contract Changes

In accordance with section 4 of the Basic Provisions, the contract change date is August 31 preceding the cancellation date.

5. Cancellation and Termination Dates

In accordance with section 2 of the Basic Provisions, the cancellation and termination dates are November 20.

6. Insured Crop

In accordance with section 8 of the Basic Provisions, the crop insured will be all the pomegranates in the county for which a premium rate is provided by the actuarial documents:
(a) In which you have a share;
(b) That are varieties adapted to the area;
(c) That are irrigated;
(d) That are grown on trees that have reached the sixth leaf year after being set out, unless otherwise provided in the Special Provisions; and
(e) That are grown in an orchard that, if inspected, is considered acceptable by us.

7. Insurable Acreage

In lieu of the provisions in section 9 of the Basic Provisions that prohibit insurance attaching to a crop interplanted with another crop, pomegranates interplanted with another perennial crop are insurable unless we inspect the acreage and determine that it does not meet the requirements contained in your policy.

8. Insurance Period

(a) In accordance with section 11 of the Basic Provisions:
  (1) For the year of application, unless we inspect the acreage before insurance attaches and determine that it does not meet insurability requirements (You must provide any information that we require for the crop or to determine the condition of the orchard), coverage begins on December 1 for the 2024 and subsequent crop years.
  (2) For each subsequent crop year that the policy remains continuously in force, coverage begins on the day immediately following the end of the insurance period for the prior crop year. Policy cancellation that results solely from transferring an existing policy to a different insurance provider for a subsequent crop year will not be considered a break in continuous coverage.
  (3) The calendar date for the end of the insurance period for each crop year is:
    (i) October 15 for the Varietal Group A pomegranate type;
    (ii) November 30 for the Varietal Group B pomegranate type; or
    (iii) As otherwise provided for specific types in the Special Provisions.

(4) If your pomegranate policy is canceled or terminated for any crop year, in accordance with the terms of the policy, after insurance attached for that crop year but on or before the cancellation and termination dates, whichever is later, insurance will not be considered to have attached for that crop year and no premium, administrative fee, or indemnity will be due for such crop year.

(b) In addition to section 11 of the Basic Provisions:

(1) If you acquire an insurable share in any insurable acreage after coverage begins but on or before the acreage reporting date for the crop year, and after an inspection we consider the acreage acceptable, insurance will be considered to have attached to such acreage on the calendar date for the beginning of the insurance period.

(2) If you relinquish your insurable interest on any insurable acreage of pomegranates on or before the acreage reporting date of any crop year, insurance will not be considered to have attached, no premium will be due, and no indemnity paid, for such acreage for that crop year unless:

(i) A transfer of coverage and right to an indemnity, or a similar form approved by us, is completed by all affected parties;

(ii) We are notified by you or the transferee in writing of such transfer on or before the acreage reporting date; and

(iii) The transferee is eligible for crop insurance.

9. Causes of Loss

(a) In accordance with 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;

(2) Fire, unless weeds and other forms of undergrowth have not been controlled or pruning debris has not been removed from the orchard;

(3) Earthquake;

(4) Volcanic eruption;

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

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

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

(b) In addition to the causes of loss excluded in section 12 of the Basic Provisions, we will not insure against damage or loss of production due to your inability to market the pomegranates for any reason other than actual physical damage from an insurable cause specified in this section. For example, we will not pay you an indemnity if you are unable to market due to quarantine, boycott, or refusal of any person to accept production.

10. 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. In lieu of the requirements of section 14(c)(3) of the Basic Provisions, we will determine which trees must remain unharvested so that we may inspect them in accordance with our procedure.

(b) In addition to section 14 of the Basic Provisions, you must notify us within 72 hours of the date:

(1) Harvest should have started if the crop will not be harvested; or

(2) Of your notice of damage or loss if you have changed packing houses for the current crop year. If you have changed packing houses, you will not be eligible for quality adjustment specified in section 11(c)(2)(i) and (ii) of these Crop Provisions.

(c) If you intend to claim an indemnity on any unit, you must notify us at least 15 days prior to the beginning of harvest if you previously gave notice in accordance with section 14 of the Basic Provisions or within 24 hours if damage is discovered during harvest, so that we may inspect the damaged production.

(1) You must not sell or dispose of the damaged crop until after we have given you written consent to do so; and

(2) If you fail to meet the requirements of this section, and such failure results in our inability to inspect the damaged production, all such production will be considered undamaged and included as production to count.

11. 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 unit, we will combine all optional units for which such production records 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 by:

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

(2) Multiplying the results of section 11(b)(1) by the price election for each type, if applicable, by your price election percentage;

(3) Totaling the results of section 11(b)(2) to determine the total value of the production guarantee;

(4) Multiplying the harvested production of each applicable type by:

(i) 1.0, when the standardized fresh pack out percent is equal or greater than the quality adjustment trigger to determine the tons of pomegranate production to count without quality adjustment; or

(ii) The standardized fresh pack out percent to determine the tons of fresh production with quality adjustment when the standardized fresh pack out percent is less than the quality adjustment trigger;

(5) If quality adjustment under section 11(b)(4)(ii) applies, subtract from the harvested production of each applicable type, the tons of fresh production for the type determined in 11(b)(4)(ii) to determine the tons of processing production for each applicable type;

(6) For each applicable type:
   (i) Multiplying the result of section 11(b)(4)(ii) by the applicable quality adjustment price for fresh fruit contained in the Special Provisions and by your price election percentage;
   (ii) Dividing each applicable result of section 11(b)(6)(i) by the applicable price election contained in the actuarial documents and by your price election percentage to determine the tons of fresh production to count;
(7) For each applicable type:
   (i) Multiplying the results of section 11(b)(5) by the applicable quality adjustment price for processing fruit contained in the Special Provisions and by your price election percentage;
   (ii) Dividing each applicable result of section 11(b)(7)(i) by the applicable price election contained in the actuarial documents and by your price election percentage to determine the tons of processing production to count;
(8) Establishing the tons of appraised production to count for each applicable type;
(9) Totaling the applicable results of sections 11(b)(4)(i), (6)(ii), (7)(ii), and (8) to determine the total production count for each applicable type;
(10) Multiplying the applicable result for each applicable type from 11(b)(9) by the applicable price election contained in the actuarial documents by your price election percentage;
(11) Totaling the results of section 11(b)(10) to determine the total value of production to count;
(12) Subtracting the result of section 11(b)(11) from the result of section 11(b)(3); and
(13) Multiplying the result of section 11(b)(12) by your share.

Example 1 – With Quality Adjustment
You have a 100 percent share in a unit of Varietal Group B type pomegranates containing 200 acres with a production guarantee per acre of 7.2 tons (9.6 ton approved yield per acre × 75 percent coverage level), your production guarantee for the unit is 1,440 tons (200 acres × 7.2 tons per acre production guarantee), your price election is $637 per ton ($637 published price election per ton contained in the actuarial documents × 100% price percentage). The fresh and processing fruit prices contained in the Special Provisions are $1,308 per ton for fresh fruit and $276 per ton for processed fruit and are used to value production to count for quality adjustment determinations. Due to adverse weather (e.g., wind and rain during bloom), your harvested production to count is 1,380 (6.9 tons per acre × 200 acres) and there was no appraised production to count. Your historical fresh pack out percent is 40 percent. Due to rain during harvest, your actual fresh pack out is 25 percent with the remainder of your production being used for processing. The standardized fresh pack out percent is 22 percent (see the definition of standardized fresh pack out percent) and is lower than the quality adjustment trigger of 32 percent (the program pack out percent of 35 percent × 90 percent). You are eligible for fresh fruit quality adjustment and the standardized fresh pack out percent is used to determine the fresh fruit production. Your premium rate is 7.5 percent.

Liability:
(1) 200 acres × 7.2 ton per acre guarantee = 1,440 tons total production guarantee.
(2) Value of production guarantee = $917,280 (1,440 tons total production guarantee × $637 price election per ton).

Premium:
$917,280 value of production guarantee × 0.075 premium rate × 1.000 share = $68,796 total premium.

Indemnity:
(1) 200 acres × 7.2 ton per acre guarantee = 1,440 tons total production guarantee;
(2) 1,440 tons total production guarantee × $637 price election per ton = $917,280 total value of production guarantee;
(3) Not applicable;
(4) 200 acres × 6.9 harvested tons per acre × 22 percent standardized actual fresh pack out = 303.6 tons of fresh production;
(5) 1,380 harvested tons (200 acres × 6.9 harvested tons per acre) - 303.6 tons of fresh production = 1,076.4 tons of processing production;
(6) $397,109 value of fresh production (303.6 tons of fresh production × $1,308 fresh fruit price per ton) ÷ $637 price election per ton = 623.4 tons of fresh production to count;
(7) $297,086 value of processing production (1,076.4 tons of processing production × $276 processing fruit price per ton) ÷ $637 price election per ton = 466.4 tons of processing production to count;
(8) Not applicable;
(9) 623.4 tons of fresh production to count + 466.4 tons of processing production to count = 1,089.8 total tons of production to count;
(10) 1,089.8 total tons of production to count × $637 price election per ton = $694,203 total value of production to count;
(11) Not applicable;
(12) $917,280 - $694,203 = $223,077; and
(13) $223,077 × 1.000 share = $223,077 indemnity.

Example 2 – Without Quality Adjustment
You have a 100 percent share in a unit of Varietal Group B type pomegranates containing 200 acres with a production guarantee per acre of 7.2 tons (9.6 ton approved yield per acre × 75 percent coverage level), your production guarantee for the unit is 1,440 tons (200 acres × 7.2 tons per acre production guarantee), your price election is $637 per ton ($637 published price election contained in the actuarial documents × 100 percent price percentage). Due to adverse weather (e.g., wind and rain during bloom), your harvested production to count is 1,380 (6.9 tons per acre × 200 acres) and there was no appraised production to count. Your historical fresh pack out percent is 40 percent. Your actual fresh pack out is 40 percent with the remainder of your production

being used for processing. Your standardized fresh pack out percent of 35 percent exceeds the quality adjustment trigger of 32 percent (the program pack out percent of 35 percent × the 90 percent) and you are not eligible for fresh fruit quality adjustment. Your premium rate is 7.5 percent.

Liability:
(1) 200 acres × 7.2 ton per acre guarantee = 1,440 tons total production guarantee.
(2) Value of production guarantee = $917,280 (1,440 tons total production guarantee × $637 price election per ton).

Premium:
$917,280 value of production guarantee × 0.075 premium rate × 1.000 share = $68,796 total premium.

Indemnity:
(1) 200 acres × 7.2 ton per acre guarantee = 1,440 tons total production guarantee;
(2) 1,440 tons total production guarantee × $637 price election per ton = $917,280 value of production guarantee;
(3) Not applicable;
(4) 200 acres × 6.9 tons per acre production to count (6.9 harvested tons × 1.0) = 1,380 tons of total production to count;
(5) Not applicable;
(6) Not applicable;
(7) Not applicable;
(8) Not applicable;
(9) Not applicable;
(10) 1,380 tons of total production to count × $637 price election per ton = $879,060 total value of production to count;
(11) Not applicable;
(12) $917,280 - $879,060 = $38,220; and
(13) $38,220 × 1.000 share = $38,220 indemnity.

(c) The total production to count (in tons) from all insurable acreage on the unit will include:
  (1) All appraised production as follows:
    (i) Not less than the production guarantee per acre for acreage:
      (A) That is abandoned;
      (B) That is damaged solely by uninsured causes; or
      (C) For which you fail to provide production records that are acceptable to us;
    (ii) Production lost due to uninsured causes;
    (iii) Unharvested production; and
    (iv) Potential production on insured acreage that you intend 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.
      (A) If you do not agree with our appraisal, we may defer the claim only if you agree to continue to provide sufficient care for the representative sample trees of the crop. We will then make another appraisal when you notify us of further damage or that harvest is general in the area unless you harvested the crop, in which case we will use the harvested production. If you do not continue to care for the representative sample trees, our appraisal made prior to deferring the claim will be used to determine the 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.
    (i) Harvested production for the type may be adjusted for quality if the standardized fresh pack out percent for the type for the current crop year is less than the quality adjustment trigger.
    (ii) Such harvested production will be adjusted by multiplying the actual harvested production for the type by the applicable standardized fresh pack out percent to determine the fresh production to count.
(d) Any pomegranate production that we determine is unmarketable due to an insurable cause of loss will not be considered production to count.

12. Late and Prevented Planting and Written Agreement

The late, prevented planting, and written agreement provisions of the Basic Provisions are not applicable.

13. Yield Options

Section 36(a)(2) and (3) of the Basic Provisions are not applicable.