

## **SUMMARY OF CHANGES FOR THE DRY BEAN REVENUE ENDORSEMENT CROP PROVISIONS (25-0047a)**

The following is a brief description of the changes to the crop provisions that will be effective for the 2025 crop year. Please refer to the crop provisions for more complete information.

- Introductory paragraph – Added order of precedence.
- Section 7 –
  - Corrected reference to section 3 in paragraph (a).
  - Corrected reference to section 2 in paragraph (e)(2)(C).
  - Clarified the release of additional projected price for non-revenue types is same time as projected price for revenue types in paragraph (f)(1).



**UNITED STATES DEPARTMENT OF AGRICULTURE  
Federal Crop Insurance Corporation  
DRY BEAN REVENUE ENDORSEMENT**

In return for your payment of the premium for the coverage contained herein, this endorsement will be attached to and made part of the Common Crop Insurance Policy and the Dry Bean Crop Provisions, subject to the terms and conditions described herein.

If a conflict exists among the policy provisions, the order of precedence is: (1) Catastrophic Risk Protection Endorsement, if applicable; (2) Special Provisions; (3) actuarial documents; (4) this Dry Bean Revenue Endorsement; (5) Dry Bean Crop Provisions; and (4) the Basic Provisions.

**1. Applicability**

- (a) This endorsement operates only in those counties where coverage is offered in the actuarial documents.
- (b) You must have the Common Crop Insurance Policy and the Dry Bean Crop Provisions in force to elect this endorsement.
- (c) You must elect this endorsement in writing on or before the sales closing date for the first crop year that you wish to insure your dry beans under it. Thereafter, it will be subject to the terms of section 2(a) of the Basic Provisions.
- (d) Except when in conflict with this Endorsement, all provisions of the Dry Bean Crop Provisions apply.
- (e) You must insure all acreage of all types of dry beans in the county under this endorsement.
- (f) The whole farm unit provisions of section 34 of the Basic Provisions do not apply under this endorsement.

**2. Definitions**

**Business days** - Monday through Friday excluding federal holidays.

**Buyer** - Any person who is in the business of buying and selling dry beans.

**Harvest price** - In lieu of the definition contained in the Basic Provisions, a price determined for each type in accordance with section 7 of this endorsement and used to value production to count.

**Market price** - Either a value or the mid-point of a range of values identified as "Dry Bean Grower Information" or similar descriptor as published in the Bean Market News, a publication of the Agricultural Marketing Service, USDA, for a specific type of dry bean in a specific region.

**Offer price** - A contractual offer made by a buyer to producers to grow and deliver a specified type of dry beans to the buyer at the specified price.

**Projected price** - In lieu of the definition contained in the Basic Provisions, a price determined for each type in accordance with section 7 of this endorsement.

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

- (a) The term "projected price" is substituted in lieu of the term "price election" throughout the Dry Bean Crop Provisions.
- (b) In addition to the provisions contained in section 3(b) of the Basic Provisions, you must elect revenue

protection for all types of dry beans you produce in the county.

- (c) In lieu of section 3(c)(5) of the Basic Provisions:
  - (1) If the projected price cannot be calculated for a type for the current crop year:
    - (i) Coverage for that type will be subject to the terms of section 7(e)(3) of this endorsement;
    - (ii) Coverage will be provided in accordance with the Crop Provisions; and
    - (iii) Notice will be provided on RMA's website not later than the third business day in March that coverage is not available.
  - (2) If the harvest price cannot be calculated for the crop year for a type for which a projected price was determined in accordance with section 7 of this endorsement, the harvest price will be equal to the projected price.

**4. Causes of Loss**

In addition to the causes of loss specified in section 10 of the Dry Bean Crop Provisions, insurance is provided against a change in the harvest price from the projected price, unless FCIC can establish the price change was the direct result of an uninsured cause of loss specified in section 12(a) of the Basic Provisions.

**5. Settlement of Claim**

- (a) In lieu of the provisions of section 13(b) of the Dry Bean Crop Provisions, in the event of loss or damage covered by this endorsement, we will settle your claim by:
  - (1) Multiplying the number of insured acres of each insured type, as applicable, by the applicable revenue protection guarantee (per acre);
  - (2) Totaling the results of section 5(a)(1);
  - (3) Multiplying the insured acreage of each contract seed bean type by its respective revenue protection guarantee;
  - (4) Totaling the results of section 5(a)(3);
  - (5) Totaling the results of sections 5(a)(2) and 5(a)(4);
  - (6) Multiplying the total production to count of each insured type, as applicable, by the applicable harvest price (see section 13(d) of the Dry Bean Crop Provisions);
  - (7) Totaling the results of section 5(a)(6);

- (8) Totaling the value of all contract seed bean production (see section 5(b));
- (9) Totaling the results of sections 5(a)(7) and 5(a)(8);
- (10) Subtracting the result of section 5(a)(9) from the result of section 5(a)(5); and
- (11) Multiplying the result of section 5(a)(10) by your share.

The following information illustrates the effect of the insurance choices you may make for your dry beans. You have 100 percent share in 50 acres of pinto dry beans in one optional unit with a production guarantee (per acre) of 1,600 pounds. You also produce small white beans located in a separate optional unit.

You produce no other types or contract seed beans. The projected price for pinto beans is \$0.28 per pound and the harvest price is \$0.35 per pound. The production to count is 25,000 pounds. Since the two types are in separate optional units, any indemnity for the pinto beans is calculated separately from the other type. Following are examples of the application of the endorsement to various choices you may make.

**Example 1:** You choose yield protection, which will apply to both the pinto beans and the small white beans. Your price election for the pinto beans will be \$0.28 per pound. You also choose 100 percent of the price election. Both types will be insured under the terms of the Dry Beans Crop Provisions. This endorsement does not apply to you. Your indemnity will be determined as follows (Note: the steps are identified as numbered in the Crop Provisions and use the terms that apply to the Crop Provisions):

- (1) 50 acres × 1,600 lbs. production guarantee = 80,000 lbs. production guarantee;
- (2) 80,000 lbs. production guarantee × \$0.28 price election = \$22,400 value of the guarantee;
- (3) 25,000 lbs. production to count × \$0.28 price election = \$7,000 value of production to count;
- (4) \$22,400 - \$7,000 = \$15,400; and
- (5) \$15,400 × 1.000 share = \$15,400 indemnity.

**Example 2:** You choose revenue protection, which will apply to both the pinto beans and the small white beans. Both types will be insured under the terms of this endorsement. You must accept 100 percent of the projected price. Since the harvest price is higher than the projected price, your revenue protection guarantee will be calculated using the harvest price. Your indemnity will be determined as follows (Note: the steps are identified as numbered in this endorsement):

- (1) 50 acres × (1,600 lbs. production guarantee × \$0.35 harvest price) = \$28,000 revenue protection guarantee;
- (2) 25,000 pounds production to count × \$0.35 harvest price = \$8,750 value of the production to count;
- (3) \$28,000 - \$8,750 = \$19,250;
- (4) \$19,250 × 1.000 share = \$19,250 indemnity.

**Example 3:** You choose revenue protection with harvest

price exclusion, which will apply to both the pinto beans and the small white beans. Both types will be insured under the terms of this endorsement. With this choice, your revenue protection guarantee is based on the projected price and the production to count is valued using the harvest price. Your indemnity will be determined as follows (Note: the steps are identified as numbered in this endorsement):

- (1) 50 acres × (1,600 lbs. production guarantee × \$0.28 projected price) = \$22,400 revenue protection guarantee;
- (2) 25,000 pounds production to count × \$0.35 harvest price = \$8,750 value of the production to count;
- (3) \$22,400 - \$8,750 = \$13,650;
- (4) \$13,650 × 1.000 share = \$13,650 indemnity.

(b) The value of contract seed bean production to count for each type in the unit will be determined as follows:

- (1) For production meeting the minimum quality requirements contained in the seed bean processor contract and for production that does not meet such requirements due to uninsured causes:
  - (A) Determining the greater of the actual value or the harvest price per pound; and
  - (B) Multiplying the result by the number of pounds of such production.
- (2) For production not meeting the minimum quality requirements contained in the seed bean processor contract due to insurable causes:
  - (A) Determining the actual value per pound; and
  - (B) Multiplying the result by the number of pounds of such production.

## 6. Written Agreements

Written agreements that alter the terms of this endorsement are not permitted. A written agreement that makes a permitted change in the terms of the Dry Bean Crop Provisions will also apply to any type insured under this endorsement.

## 7. Price Discovery

- (a) In accordance with section 3, this section specifies how and when the projected price and harvest price will be determined.
- (b) The harvest price will not be greater than the projected price multiplied by 1.50.
- (c) Projected prices and harvest prices can be found in the actuarial documents.
- (d) Section 7(e)(3) applies in the case that either a projected price or a harvest price cannot be determined in the manner described in the following provisions.
- (e) The projected and harvest prices for a type within a region will be established as follows:
  - (1) The projected price for the types black beans, dark red kidney beans, great northern beans, navy beans, pinto beans, and small red beans (see the actuarial documents for type availability in each state) will be determined by

the following procedure:

- (A) On or before February 15 of the crop year, the offer price and expected contract volume for each of these types will be collected by RMA or on behalf of RMA;
- (B) The offer prices for each type provided by each buyer will be multiplied by the respective expected contract volume, summed, and that sum will be divided by the sum of the expected estimated contract quantities for the buyers that provided an offer price for that type;
- (C) A projected price for a type will not be established if:
  - (1) Fewer than three buyers provide an offer price for that type; or
  - (2) Three buyers provide a contract price but the lowest price is more than 25 percent lower than the highest price and the buyer with the lowest price has contracted for delivery of more than 15 percent of the total quantity contracted by the three buyers.
- (D) The projected price will be announced no later than the third business day of March.
- (2) The harvest price for the types black beans, dark red kidney beans, great northern beans, navy beans, pinto beans, and small red beans (see the actuarial documents for type availability in each state) will be determined by the following procedure:
  - (A) The AMS published weekly market price of each type for each day of publication during the period beginning with the second AMS market report in September and ending with the third AMS market report in December will be collected;
  - (B) A market price will not be recorded for a date if market activity on that date is described with terms including "limited" (Ltd), "very limited" (V Ltd), or "Not Established," or similar terms that indicate a small volume of sales or no sales occurred on that date;
  - (C) A harvest price will not be established if there is a market price for fewer than 25 percent of the dates of publication included in the period defined in section 2; and
  - (D) The harvest price for a type will be the sum of the market prices for that type divided by the number of prices included in that sum.
  - (E) The harvest price will be announced no later than January 15<sup>th</sup> of the calendar year following the applicable crop year.
- (3) If a projected price for any of these types cannot be determined as described herein:
  - (A) The projected price will be determined by RMA and announced not later than the third business day of March; and
  - (B) The harvest price will equal the projected price.
- (f) Because there is not a sufficient volume of contracting for types other than black beans, dark red kidney beans, great northern beans, navy

beans, pinto beans, and small red beans (see the actuarial documents for type availability in each state) the procedure described for those types cannot be utilized for other types. However, revenue protection is still considered to be available and the projected and harvest prices will be determined by RMA. This action allows you to insure all types of dry beans under revenue protection. However, the types subject to this section will not have the benefit of a change in the harvest price relative to the projected price. You must elect 100 percent of the projected price.

- (1) In lieu of the definition of projected price contained in the Basic Provisions, the projected price shall be determined by RMA and shall be the higher of the projected price announced not later than the contract change date or the additional projected price announced concurrently with the projected prices for types that have the benefit of a change in the harvest price relative to the projected price; and;
- (2) The harvest price shall be equal to the projected price for the applicable type.
- (g) For contract seed beans only, the base price shall be the projected price and the harvest price.