

**SUMMARY OF CHANGES FOR THE FRESH MARKET TOMATO (DOLLAR PLAN)
CROP PROVISIONS (13-0086)
(Released April 20, 2012)**

The following is a brief description of changes to the crop provisions that will be effective for the 2013 and succeeding crop years. Please refer to the crop provisions for more complete information.

The paragraph immediately preceding section 1 that referred to the order of priority in the event of conflict has been removed. This information is contained in the Basic Provisions.

Section 1 – Definitions.

- Added new definitions of “allowable cost,” “amount of insurance per acre,” “fresh market tomatoes,” “minimum value,” “penhookers,” “price received,” and “registered handler.”
- Revised the definitions of “acre,” “direct marketing,” “harvest,” “plant stand,” and “potential production.”
- Removed the definitions of “planted acreage,” and “practical to replant.”

Section 3 – Amounts of Insurance and Production Stages.

- Revised section 3(d) stage guarantee table by removing the column referring to “length of time if direct seeded.”
- Revised section 3(e) for clarity.

Section 7 – Annual Premium.

- Revised initial sentence by removing “(e.g., fall direct seeded irrigated)” and replacing with “(e.g., fall transplanted irrigated).”

Section 8 – Insured Crop.

- Revised and clarified in the initial paragraph “the crop insured will be all the field grown mature green or ripe fresh market tomato types in the county as specified in the Special Provisions for which a premium rate is provided in the actuarial documents:”
- Removed the current language in section 8(c)(4) because cherry, grape and plum tomato types are now insurable if allowed by the Special Provisions and the actuarial documents. Added new language in section 8(c)(4) allowing direct seeded field grown fresh market tomatoes to be insured by written agreement.

Section 9 – Insurable Acreage.

- Revised section 9(b)(1)(iii) by removing “or 60 days of direct seeding” because direct seeded fresh market tomatoes are only insurable by written agreement which will contain the terms and conditions of insurance
- Added “strawberries” in section 9(b)(3) to the list of crops that require the soil be fumigated before planting fresh market tomatoes.

Section 10 – Insurance Period.

- Added the wording “on each unit” in the first paragraph to clarify when coverage ends on each basic unit.
- Revised section 10(e) by stating “Final harvest on the unit” since this policy allows additional basic units by planting period and these regulated counties have multiple planting periods.
- Revised section 10(f) to remove the reference to direct seeding since this practice is only insurable by written agreement.

Section 11 – Causes of Loss.

- Revised and clarified section 11(b)(2) by stating we will not insure against damage or loss due to a failure to harvest in a timely manner or failure to sell the tomatoes, unless such failure is due to actual physical damage caused by an insured cause of loss that occurs during the insurance period. For example, we will not pay an indemnity if you are unable to sell the insured crop due to quarantine, boycott, or refusal of any person to accept production.

Section 14 – Settlement of Claim.

- Revised and removed the subsections 14(b)(4)(ii)(A) and (B) pertaining to the 1998 and 1999 crop years because they are obsolete, and added the phrase “by the percentage contained in the Special Provisions,” to section 14(b)(4)(ii).
- Added an example of a claim for indemnity after section 14(b)(5).
- Revised section 14(c)(2)(i) by removing the reference to “ground culture” tomatoes since this practice is no longer used, and the current number of required harvests by insured tomato type is now kept current in the Special Provisions.
- Revised section 14(c)(3) and added a new section 14(c)(4) to separate and clarify the settlement of claim procedures used for sold harvested production and unsold harvested production.
- Added section 14(c)(5) to clarify any penhooked salvage value paid to the producer will be added to their total dollar value of production to count.

Section 16 – Minimum Value Option.

- Revised sections 16(a)(1) and 16(b)(2) by eliminating the current Minimum Value Option II provision and continue to offer one Minimum Value Option price as specified in the Special Provisions.
- Revised and clarified section 16(b)(1)(ii) by changing the phrase “For marketable production that is not sold,” to “For unsold harvested production.” The new wording is consistent with the wording in section 14(c)(4).
- Added an example of a minimum value option claim for indemnity after paragraph 16(c).

UNITED STATES DEPARTMENT OF AGRICULTURE
Federal Crop Insurance Corporation
FRESH MARKET TOMATO (DOLLAR PLAN) CROP PROVISIONS



1. Definitions.

Acre - 43,560 square feet of planted acreage when row widths do not exceed six feet. If row widths exceed six feet, the land area on which at least 7,260 linear feet of rows are planted.

Allowable cost – The dollar amount per carton for harvesting, packing, and handling as stated in the Special Provisions.

Amount of insurance per acre – The dollar amount of insurance per acre obtained by multiplying the reference maximum dollar amount shown in the actuarial documents by the coverage level percentage you elect.

Carton - Twenty-five (25) pounds of the insured crop.

Crop year - In lieu of the definition contained in the Basic Provisions, crop year is a period of time that begins on the first day of the earliest planting period for fall planted tomatoes and continues through the last day of the insurance period for spring planted tomatoes. The crop year is designated by the calendar year in which spring planted tomatoes are harvested.

Direct marketing - The sale of the insured crop directly to consumers without the intervention of an intermediary such as a registered handler, wholesaler, retailer, packer, processor, shipper or buyer. Examples of direct marketing include selling through an on-farm or roadside stand, farmer's market, and permitting the general public to enter the field for the purpose of picking all or a portion of the crop.

Excess rain - An amount of precipitation sufficient to directly damage the crop.

Freeze - The formation of ice in the cells of the plant or its fruit, caused by low air temperatures.

Fresh market tomatoes – Field grown mature green or ripe fresh market tomatoes that meet the Agricultural Marketing Service United States Standards for Grades of Fresh Tomatoes; and the applicable Federal Marketing Order and Florida Tomato Committee Regulations, or their successors.

Harvest - The picking of fresh market tomatoes from the plants, excluding tomatoes salvaged by penhookers.

Mature green tomato - A tomato that:

- (1) Has a glossy waxy skin that cannot be torn by scraping;
- (2) Has well-formed, jelly-like substance in the locules.
- (3) Has seeds that are sufficiently hard so as to be pushed aside and not cut by a sharp knife in slicing; and
- (4) Shows no red color.

Minimum value – The dollar amount per carton shown in the Special Provisions we will use to value appraised and unsold harvested production to count.

Penhookers – Individuals who purchase the right to salvage tomatoes remaining in the field after commercial harvests are completed.

Plant stand - The number of live plants per acre prior to the occurrence of an insured cause of loss.

Planting period - The period of time designated in the actuarial documents in which the tomatoes must be planted to be considered fall, winter or spring-planted tomatoes.

Potential production - The number of cartons of field grown mature green or ripe fresh market tomatoes that the tomato plants will or would have produced per acre, assuming normal growing conditions and practices, by the end of the insurance period.

Price received – The gross dollar amount per carton received by the producer before deductions of allowable costs.

Registered handler – A person or entity officially certified by the Florida Tomato Committee, or successor entity, to inspect and enforce all handling regulations for fresh market tomatoes, and report the required packout data to the Committee.

Ripe tomato - A tomato that has a definite break in color from green to tannish-yellow, pink or red.

Row width - The widest distance from the center of one row of plants to the center of an adjacent row of plants.

Tropical depression - A system identified by the U.S. Weather Service as a tropical depression, and for the period of time so designated, including tropical storms, gales, and hurricanes.

2. Unit Division.

- (a) A basic unit, as defined in section 1 of the Basic Provisions, will also be divided into additional basic units by planting period.
- (b) Provisions in the Basic Provisions that allow optional units by irrigated and non-irrigated practices are not applicable.

3. Amounts of Insurance and Production Stages.

- (a) In addition to the requirements of section 3 of the Basic Provisions, you may select only one coverage level (and the corresponding amount of insurance designated in the actuarial documents for the applicable planting period and practice) for all the tomatoes in the county insured under this policy.
- (b) The amount of insurance you choose for each planting period and practice must have the same percentage relationship to the maximum price offered by us for each planting period and practice. For example, if you choose 100 percent of the maximum amount of insurance for a specific planting period and practice, you must also choose 100 percent of the maximum amount of insurance for all other planting periods and practices.
- (c) The production reporting requirements contained in section 3 of the Basic Provisions, do not apply to fresh market dollar plan tomatoes.

(d) The amounts of insurance per acre are progressive by stages as follows:

Stage	Percent of Amount of Insurance per acre that you selected	Length of time if Transplanted
1	50	From planting through the 29th day after planting
2	75	From the 30th day after planting until the beginning of stage 3
3	90	From the 60th day after planting until the beginning of the final stage
Final	100	Begins the earlier of 75 days after planting, or the beginning of harvest

(e) Any acreage of fresh market tomatoes damaged in the first, second, or third stage to the extent that the majority of producers in the area would not normally further care for the crop, the indemnity payable for such acreage will be based on the stage the plants had achieved when the insured damage occurred, even if the producer continues to care for the damaged tomatoes.

4. Contract Changes.

In accordance with section 4 of the Basic Provisions, the contract change date is April 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 July 31.

6. Report of Acreage.

In addition to the requirements of section 6 of the Basic Provisions, you must report on or before the acreage reporting date contained in the Special Provisions for each planting period:

- (a) All the acreage of tomatoes in the county insured under this policy in which you have a share;
- (b) The dates the acreage was planted within each planting period; and
- (c) The row width.

7. Annual Premium.

In lieu of the determinations contained in section 7 of the Basic Provisions, the annual premium amount for each cultural practice (e.g., fall transplanted irrigated) is determined by multiplying the final stage amount of insurance per acre by the premium rate for the cultural practice as established in the actuarial documents, by the insured acreage, by your share at the time coverage begins, and by any applicable premium adjustment factors contained in the actuarial documents.

8. Insured Crop.

In accordance with section 8 of the Basic Provisions, the crop insured will be all the field grown mature green or ripe fresh market tomato types in the county as specified in the Special Provisions for which a premium rate is provided in the actuarial documents:

- (a) In which you have a share;
- (b) That are:
 - (1) Planted to be harvested and sold as fresh market tomatoes;
 - (2) Planted within the planting periods designated in the actuarial documents;
 - (3) Grown under an irrigated practice;
 - (4) Grown on acreage covered by plastic mulch except where the Special Provisions allows otherwise.
 - (5) Grown by a person who in at least one of the three previous crop years:
 - (i) Grew tomatoes for commercial sale; or
 - (ii) Participated in managing a fresh market tomato farming operation;
- (c) That are not:
 - (1) Interplanted with another crop;
 - (2) Planted into an established grass or legume;
 - (3) Grown for direct marketing; or
 - (4) Direct seeded fresh market tomatoes, unless insured by written agreement.

9. Insurable Acreage.

- (a) In lieu of the provisions of section 9 of the Basic Provisions, we will insure newly cleared land and former pasture land planted to fresh market tomatoes.
- (b) In addition to section 9 of the Basic Provisions:
 - (1) You must replant any acreage of tomatoes damaged during the planting period in which initial planting took place whenever less than 50 percent of the plant stand remains: and
 - (i) It is practical to replant;
 - (ii) If, at the time the crop was damaged, the final day of the planting period has not passed; and
 - (iii) The damage occurs within 30 days of transplanting.
 - (2) Whenever tomatoes initially are planted during the fall or winter planting periods and the conditions specified in sections 9(b)(1)(ii) and (iii) are not met, you may elect:
 - (i) To replant such acreage and collect any replant payment due as specified in section 12. The initial planting period coverage will continue for such replanted acreage.
 - (ii) Not to replant such acreage and receive an indemnity based on the stage of growth the plants had attained at the time of damage. However, such an election will result in the acreage being uninsurable in the subsequent planting period.
 - (3) We will not insure any acreage on which tomatoes (except for replanted tomatoes in

accordance with sections 9(b)(1) and (2)), peppers, eggplants, strawberries or tobacco have been grown and the soil was not fumigated or otherwise properly treated before planting the insured tomatoes.

10. Insurance Period.

In lieu of section 11 of the Basic Provisions, coverage begins on each unit or part of a unit the later of the date we accept your application, or when the tomatoes are planted in each planting period. Coverage ends on each unit at the earliest of:

- (a) Total destruction of the tomatoes on the unit;
- (b) Abandonment of the tomatoes on the unit;
- (c) The date harvest should have started on the unit on any acreage which will not be harvested;
- (d) Final adjustment of a loss on the unit;
- (e) Final harvest on the unit; or
- (f) The calendar date for the end of insurance period that is 125 days after the date of transplanting or replanting with transplants.

11. 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 during the insurance period:

- (1) Excess rain;
- (2) Fire;
- (3) Freeze;
- (4) Hail;
- (5) Tornado;
- (6) Tropical depression; or
- (7) Failure of the irrigation water supply, if caused by an insured cause of loss that occurs during the insurance period.

(b) In addition to the causes of loss excluded in section 12 of the Basic Provisions, we will not insure against damage or loss due to:

- (1) Disease or insect infestation, unless no effective control measure exists for such disease or insect infestation; or
- (2) Failure to harvest in a timely manner or failure to sell the tomatoes, unless such failure is due to actual physical damage caused by an insured cause of loss that occurs during the insurance period. For example, we will not pay an indemnity if you are unable to sell the insured crop due to quarantine, boycott, or refusal of any person to accept production.

12. Replanting Payments.

(a) In accordance with section 13 of the Basic Provisions, a replanting payment is allowed if, due to an insured cause of loss, more than 50 percent of the plant stand will not produce tomatoes and it is practical to replant.

(b) The maximum amount of the replanting payment per acre will be the lesser of your actual cost of replanting or the result obtained by multiplying the per acre replanting payment

amount contained in the Special Provisions by your insured share.

(c) In lieu of section 13 of the Basic Provisions, only one replanting payment will be made for acreage planted during each planting period within the crop year.

13. Duties In The Event of Damage or Loss.

In addition to the requirements contained in section 14 of the Basic Provisions, if you intend to claim an indemnity on any unit you must also give us notice not later than 72 hours after the earliest of:

- (a) The time you discontinue harvest of any acreage on the unit;
- (b) The date harvest normally would start if any acreage on the unit will not be harvested; or
- (c) The calendar date for the end of the insurance period.

14. 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 in each stage by the amount of insurance per acre for the final stage;
- (2) Multiplying each result in section 14(b)(1) by the percentage for the applicable stage (see section 3(d));
- (3) Total the results of section 14(b)(2);
- (4) Subtracting either of the following values from the result of section 14(b)(3):
 - (i) For other than catastrophic risk protection coverage, the total value of production to be counted (see section 14(c));
 - (ii) For catastrophic risk protection coverage, the result of multiplying the total value of production to count (see section 14(c)) by the percentage contained in the Special Provisions.

(5) Multiplying the result of section 14(b)(4) by your share.

For Example: You have a 100 percent share in 10.0 acres of fresh market tomatoes. You select a 70% coverage level of the reference maximum dollar amount of \$7,500 per acre. The average price received is \$10.00 per carton of tomatoes. Allowable costs are \$4.25 per carton. Minimum value is \$5.00 per carton. Your total sold production is 5,000 cartons ($5,000 \div 10.0 = 500$ cartons per acre) and you have an additional 1,000 cartons of unsold harvested production

(1,000 ÷ 10.0 = 100 cartons per acre). Your loss occurred in the final stage of production. Your total indemnity is calculated as follows:		
	\$7,500 x 70 % = dollar amount of insurance per acre	\$5,250
14(c)(3)	500 cartons x \$5.75 = value of sold production (\$10 selling price - \$4.25 allowable cost)	\$2,875
14(c)(4)	100 cartons of unsold harvested production x \$5 minimum value per carton	+\$500
	Total value of production to count	\$3,375
14(b)(5)	Indemnity per acre = (\$5,250 - \$3,375) x 100% share.	\$1,875
	\$1,875 x 10.0 acres = \$18,750 total indemnity payment	\$18,750

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

(1) Not less than the amount of insurance per acre for the stage for any acreage:

- (i) That is abandoned;
- (ii) Put to another use without our consent;
- (iii) That is damaged solely by uninsured causes; or
- (iv) For which you fail to provide acceptable production records;

(2) The value of the following appraised production will not be less than the dollar amount obtained by multiplying the number of cartons of appraised tomatoes by the minimum value per carton shown in the Special Provisions for the planting period:

- (i) Potential production on any fresh market tomato acreage that has not been harvested the required number of times as specified in the Special Provisions.
- (ii) Unharvested mature green tomatoes (unharvested production that is damaged or defective due to insurable causes and is not marketable will not be counted as production to count);
- (iii) Production lost due to uninsured causes; and
- (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) We may require you to continue to care for the crop so that a subsequent appraisal may be made or the crop harvested to determine actual production (If we require you to continue to care for the crop and you do not do so, the original appraisal will be used); or

(B) You may elect to continue to care for the crop, in which case the amount of production to count for the acreage will be the harvested production, or our reappraisal if the crop is not harvested.

(3) The total value of all sold harvested production from the insurable acreage will be the dollar amount obtained by subtracting the allowable cost contained in the Special Provisions from the price received for each carton of fresh market tomatoes in the load (this result may not be less than the minimum value shown in the Special Provisions for any carton of tomatoes), and multiplying this result by the number of cartons of fresh market tomatoes harvested.

(4) The total value of all unsold harvested production will be the dollar amount obtained by multiplying the number of cartons of such tomatoes on the unit by the minimum value shown in the Special Provisions for the planting period. Harvested production that is damaged or defective due to an insured cause of loss and is not sold will not be counted as production to count.

(5) Any penhooker salvage value paid to you will be added to the total dollar value of production to count.

15. Late and Prevented Planting.

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

16. Minimum Value Option.

(a) The provisions of this option are continuous and will be attached to and made a part of your insurance policy, if:

(1) You elect the Minimum Value Option on your application, or on a form approved by us, on or before the sales closing date for the initial crop year in which you wish to insure fresh market tomatoes (dollar plan) under this option, and pay the additional premium indicated in the actuarial documents for this optional coverage; and

(2) You have not elected coverage under the Catastrophic Risk Protection Endorsement.

(b) In lieu of the provisions contained in sections 14(c)(3) and 14(c)(4) of these Crop Provisions, the

total value of harvested production will be determined as follows:

- (1) For sold harvested production, the dollar amount obtained by subtracting the allowable cost contained in the Special Provisions from the price received for each carton of fresh market tomatoes in the load (this result may not be less than the minimum value option price contained in the Special Provisions for any carton of tomatoes sold), and multiplying this result by the number of cartons of fresh market tomatoes sold; and
 - (2) For unsold harvested production, the dollar amount obtained by multiplying the number of cartons of such fresh market tomatoes on the unit by the minimum value shown in the Special Provisions for the planting period. Harvested production that is damaged or defective due to an insured cause of loss and is not sold will not be counted as production to count.
- (c) This option may be canceled by either you or us for any succeeding crop year by giving written notice on or before the cancellation date preceding the crop year for which the cancellation of this option is to be effective.

Example with Minimum Value Option: You have a 100 percent share in 10.0 acres of fresh market tomatoes. You select a 70% coverage level of the reference maximum dollar amount of \$7,500 per acre. The average price received is \$6.00 per carton of tomatoes. Allowable costs are \$4.25 per carton. Minimum value is \$5.00 per carton. The Minimum Value Option price is \$2.00 per carton. Your total sold production is 5,000 cartons (5,000 ÷ 10.0 = 500 cartons per acre) and you have an additional 1,000 cartons of unsold harvested production (1,000 ÷ 10.0 = 100 cartons per acre). Your loss occurred in the final stage of production. Your total indemnity is calculated as follows:

	\$7,500 x 70% = dollar amount of insurance per acre.	\$5,250
16(b)(1)	500 cartons x \$2 = value of sold production (\$6 price received minus \$4.25 allowable costs = \$1.75. The \$2.00 minimum value option price is greater than \$1.75)	\$1,000
16(b)(2)	100 cartons of unsold harvested production x \$5 minimum value per carton	+\$500
	Total value of production to count	\$1,500
16(b)	Indemnity per acre = \$5,250 - \$1,500 = \$3,750 x 100% share	\$3,750
	\$3,750 x 10.0 acres = \$37,500 total indemnity payment	\$37,500