

SUMMARY OF CHANGES FOR THE SUGAR BEET CROP PROVISIONS (19-039)

The following is a brief description of changes to the crop provisions that will be effective for the 2019 and succeeding crop years in states with a November 30 contract change date and for the 2020 and succeeding crop years in all other states. Please refer to the crop provisions for more complete information.

Section 1 – Definitions

- Removed definitions of “local market price,” “production guarantee (per acre),” “standardized ton,” “sugar beet processor contract,” “thinning,” and “ton.”
- Revised definitions of “crop year” and “practical to replant.”
- Added definition of “processor contract”

Section 2 – Unit Division

- Replaced the terms “sugar beet processor contract” with “processor contract”

Section 3 – Insurance Guarantees, Coverage Levels, and Prices for Determining Indemnities

- Revised the basis of insurance from “standardized tons” to “pounds of raw sugar”
- Removed stage guarantees for determination of the production guarantee

Section 4 – Contract Changes

- Removed reference to July 15th contract change date as date was no longer applicable in any county
- Revised dates to apply to states instead of individual counties

Section 5 – Cancellation and Termination Dates

- Revised dates to apply to states instead of individual counties and removed unnecessary dates

Section 6 – Annual Premium

- Removed and reserved section as stage guarantees have been removed and this section is not necessary

Section 7 – Insured Crop

- Replaced the term “duly promulgated” with “executed and adopted” to have more common terminology
- Replaced the term “sets forth” with “contains” to have more common terminology

- Revised term “corporate” to “corporate resolution” to provide consistency with later use in the crop provisions

Section 8 – Insurable Acreage

- Removed parenthetical in 8(b) as all insurable counties now have a specified final planting date

Section 9 – Insurance Period

- Removed list of end of insurance dates by geographic region and instead refers to the calendar date show in the actuarial documents

Section 11 – Replanting Payments

- Removed replant calculation and instead refers to dollar amount of replant payment specified in special provisions

Section 12 – Duties in the Event of Damage or Loss

- Added a comma after “processor contract” in section 12(b) to separate the two requirements for non-processors and insureds who are also processors

Section 13 – Settlement of Claim

- Removed parenthetical following the term “unharvested production” as it is no longer necessary
- Removed section 13(c)(1)(iv) as it is no longer necessary due to removal of stage guarantees
- Redesignated section 13(c)(1)(v) as section 13(c)(1)(iv)
- Revised section 13(d) and 13(e) to clarify the determination of production to count by referring to pounds of raw sugar and including the use of the raw sugar percentage only if a sugar test is not performed or is not deemed acceptable
- Added section 13(f) to allow for an early harvest factor

Section 14 – Late Planting

- Removed and reserved section 14 as it is unnecessary due to removal of distinction by county and the late planting provisions in the Basic Provisions will now apply

Section 15 – Prevented Planting

Removed section 15(a) as insurance is no longer available to counties that previously had a July 15 contract change date

UNITED STATES DEPARTMENT OF AGRICULTURE
Federal Crop Insurance Corporation
SUGAR BEET CROP PROVISIONS



1. Definitions.

Crop year - The period within which the sugar beets are normally grown, which is designated by the calendar year in which the sugar beets are normally harvested.

Harvest - Topping and lifting of sugar beets in the field.

Initially planted - The first occurrence that land is considered as planted acreage for the crop year.

Planted acreage - In addition to the definition contained in the Basic Provisions, sugar beets must initially be planted in rows, unless otherwise provided by the Special Provisions, actuarial documents, or by written agreement.

Practical to replant - In addition to the definition in section 1 of the Basic Provisions, it will not be considered practical to replant if production from the replanted acreage cannot be delivered under the terms of the processor contract, or 30 days after the initial planting date for all counties where a late planting period is not applicable, unless replanting is generally occurring in the area.

Processor - Any business enterprise regularly engaged in processing sugar beets for sugar that possesses all licenses and permits for processing sugar beets required by the State in which it operates, and that possesses facilities, or has contractual access to such facilities, with enough equipment to accept and process the contracted sugar beets within a reasonable amount of time after harvest.

Processor contract - A written agreement between you and the processor, executed on or before the acreage reporting date, which is in effect for the crop year, containing at a minimum:

- (1) Your commitment to plant, grow, and deliver the sugar beet production to the processor;
- (2) The processor's commitment to purchase the production stated in the contract; and
- (3) A price or formula for a price based on third party data that will be paid to you for the production stated in the contract.

Raw sugar - Sugar that has not been extracted from the sugar beet.

2. Unit Division.

In addition to the requirements of section 34 of the Basic Provisions, basic units may be divided into optional units only if you have a processor contract that requires the processor to accept all production from a number of acres specified in the processor contract. Acreage insured to fulfill a processor contract which provides that the processor will accept a designated amount of production or a combination of acreage and production will not be eligible for optional units.

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 sugar beets in the county insured under this policy.

(b) The production guarantee will be expressed in pounds of raw sugar.

4. Contract Changes.

In accordance with the provisions of section 4 of the Basic Provisions, the contract change date is April 30 preceding the cancellation date for California and November 30 preceding the cancellation date for all other states.

5. Cancellation and Termination Dates.

In accordance with section 2 of the Basic Provisions, the cancellation and termination dates are August 31 for California and March 15 for all other states.

6. Reserved.

7. Insured Crop.

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

- (1) In which you have a share;
- (2) That are planted for harvest as sugar beets;
- (3) That are grown under a contract and are not excluded from the processor contract at any time during the crop year; and

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

- (i) Interplanted with another crop;
- (ii) Planted into an established grass or legume; or
- (iii) Planted prior to submitting a properly completed application.

(b) Sugar beet growers who are also processors may establish an insurable interest if they meet the following requirements:

- (1) The processor must meet the definition of a "processor" in section 1 of these crop provisions and have a valid insurable interest in the sugar beet crop;
- (2) The Board of Directors or officers of the processor must have adopted and executed a corporate resolution that contains essentially the same terms as a processor contract. Such corporate resolution will be considered a processor contract under the terms of the sugar beet crop insurance policy;
- (3) The sales records of the processor showing the amount of sugar produced the previous year must be supplied to us to confirm the processor has produced and sold sugar in the past; and
- (4) Our inspection of the processing facilities determines that they conform to the definition of

processor contained in section 1 of these crop provisions.

8. Insurable Acreage.

In addition to the provisions of section 9 of the Basic Provisions:

- (a) We will not insure any acreage planted to sugar beets:
 - (1) The preceding crop year, unless otherwise specified in the Special Provisions for the county;
 - (2) In any crop year following the discovery of rhizomania on the acreage, unless allowed by the Special Provisions or by written agreement; or
 - (3) That does not meet the rotation requirements shown in the Special Provisions;
- (b) Any acreage of the insured crop damaged before the final planting date, to the extent that growers in the area would normally not further care for the crop, must be replanted unless we agree that replanting is not practical.

9. Insurance Period.

In accordance with section 11 of the Basic Provisions, the dates for the end of insurance period are contained in the actuarial documents.

10. Causes of Loss.

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:

- (a) Adverse weather conditions;
- (b) Fire;
- (c) Insects, but not damage due to insufficient or improper application of pest control measures;
- (d) Plant disease, but not damage due to insufficient or improper application of disease control measures;
- (e) Wildlife;
- (f) Earthquake;
- (g) Volcanic eruption; or
- (h) Failure of the irrigation water supply, if caused by an insured peril that occurs during the insurance period.

11. Replanting Payments.

- (a) In accordance with section 13 of the Basic Provisions, a replanting payment is allowed if the crop is damaged by an insurable cause of loss to the extent that the remaining stand will not produce at least 90 percent (90%) of the production guarantee for the acreage and it is practical to replant.
- (b) The dollar amount of the replant payment is specified in the Special Provisions.
- (c) When sugar beets are replanted using a practice that is uninsurable for an original planting, our liability on the unit will be reduced by the amount of the replanting payment. The premium amount will not be reduced.

12. Duties in the Event of Damage or Loss.

In accordance with the requirements of section 14 of the Basic Provisions:

- (a) Representative samples of the unharvested crop

must be at least 10 feet wide and extend the entire length of each field in the unit. The samples must not be harvested or destroyed until the earlier of our inspection or 15 days after harvest of the balance of the unit is completed; and

- (b) You must provide a copy of your sugar beet processor contract, or corporate resolution if you are the processor.

13. 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 acceptable 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 on any unit by:
 - (1) Multiplying the insured acreage by its respective production guarantee;
 - (2) Subtracting the total production to count from the result in paragraph (b)(1);
 - (3) Multiplying the result of paragraph (b)(2) by your price election; and
 - (4) Multiplying the result of paragraph (b)(3) by your share.
- (c) The total production to count 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) 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 that are acceptable to us;
 - (ii) Production lost due to uninsured causes;
 - (iii) Unharvested production;
 - (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 if 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 you 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) All harvested production from the insurable acreage.

(d) Harvested production or unharvested production that is appraised after the earliest delivery date that the processor accepts harvested production and that meets the minimum acceptable standards contained in the processor contract or corporate resolution will be converted to pounds of raw sugar by multiplying the tons of such production by 2,000 and by the average percentage of raw sugar to determine the production to count. The average percentage of raw sugar will be determined from tests performed by the processor at the time of delivery.

(1) If individual tests of raw sugar content are not made at the time of delivery, the average percent of raw sugar may be based on the results of previous tests performed by the processor during the crop year if it is determined that such results are representative of the total production.

(2) If not representative, the average percent of raw sugar will equal the raw sugar content percent shown in the Special Provisions.

(e) Harvested production or unharvested production that is appraised after the earliest delivery date that the processor accepts harvested production and that does not meet the minimum acceptable standards contained in the processor contract or corporate resolution due to an insured peril will be converted to pounds of raw sugar by multiplying the tons of such damaged production by 2,000 and by the average percent of raw sugar contained in such production.

(1) If individual tests of raw sugar content are not made at the time of delivery, the average percent of raw sugar may be based on the results of previous tests performed by the processor during the crop year if it is determined that such results are representative of the total production.

(2) If not representative, the average percent of raw sugar will equal the raw sugar content percent shown in the Special Provisions.

(f) Production lost due to harvest prior to full maturity. If the percentage of insured acreage in the unit

harvested prior to full maturity exceeds the threshold specified in the actuarial documents, production to count from such acreage will be determined by increasing the amount of harvested production by 1 percent per day for each day the sugar beets were harvested prior to the date the sugar beets would have reached full maturity.

(1) The date the sugar beets would have reached full maturity will be considered to be 45 days prior to the calendar date for the end of the insurance period, unless otherwise specified in the Special Provisions.

(2) This adjustment will not be made if the sugar beets are damaged by an insurable cause of loss and leaving the crop in the field would reduce production.

(3) The adjustment cannot result in production to count in excess of the insured's actual production history;

14. Reserved.

15. Prevented Planting.

Your prevented planting coverage will be a percentage specified in the actuarial documents of your production guarantee for timely planted acreage. If you have additional levels of coverage and pay an additional premium, you may increase your prevented planting coverage if such additional coverage is specified in the actuarial documents.