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Federal Crop
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CAMELINA INSURANCE STANDARDS HANDBOOK

2014 and Succeeding Crop Years

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**RISK MANAGEMENT AGENCY
KANSAS CITY, MO 64133**

TITLE: CAMELINA INSURANCE STANDARDS HANDBOOK	NUMBER: 20170U
EFFECTIVE DATE: 2014 and succeeding crop years	ISSUE DATE: November 22, 2013
SUBJECT: Provides the underwriting procedures and instructions for administering the Camelina crop insurance program.	OPI: Actuarial and Product Design Division
	APPROVED: November 22, 2013 <i>/s/ Tim B. Witt</i> Deputy Administrator for Product Management

REASON FOR ISSUANCE

This handbook is being issued to provide underwriting standards for administering the Camelina Crop Insurance Program beginning with the 2014 crop year.

CAMELINA INSURANCE STANDARDS HANDBOOK

CONTROL CHART

Camelina Insurance Standards Handbook							
	TP Page(s)	TC Page(s)	Text Page(s)	Exhibit Number	Exhibit Page(s)	Date	Directive Number
Insert	Entire Handbook						
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FILING INSTRUCTIONS

This handbook replaces the 2012 and succeeding crop years Camelina Crop Insurance Underwriting Guide, RMA-20170U. This handbook is effective for the 2014 and succeeding crop years and is not retroactive to any 2013 or prior crop year determinations.

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PART 1 GENERAL INFORMATION AND RESPONSIBILITIES

1 General Information

A. Purpose

The purpose of the handbook is to provide instructions for establishing crop insurance coverage and to adjust losses in accordance with the Camelina Crop Provisions (14-0333) and as a supplement to the Crop Insurance Handbook - FCIC 18010 (CIH), the Loss Adjustment Manual - FCIC 25010 (LAM), the Camelina Loss Adjustment Standards Handbook - FCIC 20170L (LASH), and any other issuance that may be referenced herein.

B. Authority

The Camelina Crop Insurance Program is approved by the FCIC Board of Directors under Section 508(h) of the Federal Crop Insurance Act.

C. Program Duration

The Camelina Crop Insurance Program is available beginning with the 2012 crop year and is authorized until cancelled or extended by the FCIC Board of Directors.

2 Responsibilities

A. AIP Responsibilities

AIPs will utilize this handbook and other standards, procedures, and instructions as authorized by RMA for the purpose of selling and servicing the Camelina Crop Insurance Program. AIPs should report program issues or concerns to RMA.

B. Insured's Responsibilities

To be eligible for the Camelina Crop Insurance Program, insureds must comply with all terms and conditions of the Basic Provisions and the Camelina Crop Provisions.

3-10 (Reserved)

PART 2 STANDARDS AND INSTRUCTIONS

11 Operational References

In general, the CIH, LAM, and LASH apply to the Camelina Crop Insurance Program. Exceptions, changes, and additions necessary for and unique to camelina are referenced in this handbook. All procedures, rules, and requirements for Category B APH crops apply except as noted herein, and are supplemented with additional instructions in this handbook.

12 Overview of Changes

The Camelina Crop Insurance Program was new for the 2012 crop year. For the 2014 crop year, provisions regarding unit division are changed to allow basic and optional units in accordance with the Basic Provisions. Any changes to policy documents, underwriting rules, etc. for succeeding crop years will be issued prior to the contract change date.

13-20 (Reserved)

PART 3 CROP INSURANCE HANDBOOK

21 General Changes and Additions

Changes and additions to the CIH for camelina are described in this part. Parts of the CIH not listed below that are applicable to category B crops also apply to camelina.

22 CIH Part 2, Section 1, Paragraph 201B - Written Agreements

The program requirements in section 1 apply, except for paragraph 201B which indicates insureds may request coverage by written agreement if authorized by the policy. Written agreements are not available for camelina.

23 CIH Part 2, Section 2, Paragraph 237 - Price

A. Price Election Determination

The price election is the price per pound stipulated in the processor contract (without regard to discounts or incentives) multiplied by the price percentage elected by the insured. However, in no case will the price election exceed the price per pound in the Special Provisions. If more than one processor contract is in effect, the price election will be the weighted average price of the prices stipulated in the contracts [see B below].

B. If There is More Than One Base Contract Price

If the producer has two or more processor contracts in effect with different base contract prices, the amount used to determine the price election will be the weighted average of the base contract prices. For example:

	Contract	
Contract	Production	Price
	Amount	
One	10,000 lbs	\$0.10
Two	5,000 lbs	\$0.12

The weighted average base contract price will be \$0.107 per pound calculated as follows:

Contract	Production		Price	Contracted
	amount			Value
One	10,000 lbs	x	\$0.10	\$1,000
Two	5,000 lbs	x	\$0.12	\$600
Totals	15,000 lbs			\$1,600

Contracted	Contracted		Contract	
Amount	Value		Weighted	
			Average Price	
\$1,600	/	15,000 lbs	=	\$0.107 per lb

23 CIH Part 2, Section 2, Paragraph 237 - Price (Continued)

C. Determining Contracted Pounds for Acreage Based Processor Contracts

For acreage only based processor contracts, and acreage and production based processor contracts which specify a maximum number of acres, the number of pounds considered to be under contract is the maximum number of acres specified in the processor contract multiplied by the production guarantee.

24 CIH Part 6, Sections 1, 2 and 3 - Replanting, Late Planting and Prevented Planting

A. Replant Payment

A replanting payment may be made if the camelina crop is damaged by an insured cause of loss.

The amount of the replanting payment is the lesser of the actual cost to replant, or the amount determined by multiplying the lesser of 20 percent of the production guarantee per acre or 120 pounds by the insured's price election and share.

B. Replant Payment Requirements

To qualify for a replant payment, at least the lesser of 20 acres or 20 percent of the insured acreage in the unit must be damaged to the extent that it will not produce at least 90 percent of the production guarantee for the acreage, and the AIP must give consent to replant the acreage.

C. Late Planting

The late planting period begins the day after the final planting date and ends 15 days after the final planting date. The production guarantee is reduced 1 percent per day for each day acreage is planted after the final planting date. Acreage planted after the late planting period, regardless of the reason acreage was not previously planted, is not insurable and will be shown as uninsurable acreage on the acreage report.

D. Prevented Planting

The prevented planting provisions in section 3 are not applicable. Prevented planting coverage is not provided.

25 CIH Part 7 - Units

Only basic and optional units are applicable.

26 CIH Part 11 - Production Evidence

Camelina is added to the list of crops in section 3, paragraph 1131.

27 CIH Part 12, Section 5, Paragraph 1263 - Tolerances

Camelina is added to the list of crops in paragraph 1263B(2).

28 CIH Part 16, Section 1 - Category B Crops

The following is added to section 1:

Camelina

A. Processor Contract Requirements

The insured must provide a copy of all production contracts to the AIP on or before the ARD.

B. Additional Responsibilities of Agents/Representatives of AIPs

Determine any over-planting factor that may be applicable.

- (1) The over-planting factor is used to reduce the production guarantee when the number of insurable acres is greater than the maximum allowable acres.
- (2) If applicable, the over-planting factor is determined by dividing the maximum allowable acres by the number of insurable acres. For example, if the insured has 200.0 acres under contract and plants 220.0 insurable acres, the production guarantee will be reduced by a factor of 0.95, $(200 \times 1.05) = 210$ and $(210.0 \div 220 = 0.95)$.
- (3) Enter any over-planting factor in the remarks section of the acreage report.

29 CIH Exhibit 2A - Definitions

The definition of "good farming practices" is amended as follows:

Good farming practices - In addition to the definition of "good farming practices" contained in Exhibit 2A, good farming practices include any cultural practices required by the production contract.

30 CIH Exhibit 2B. - Crop Policy Information

The following is added to Exhibit 2B:

2014 CROP POLICY INFORMATION								
APH Crops	FCIC		Crop Category, APH Yield Tolerance	Late Planting (L) Prev. Planting (P)	Replant	Unit of Measure	Units by: Basic (B) Optional (O) Enterprise (E) ⁴	High-Risk Land Exclusion Option
	Policy	CP						
Camelina	11-BR	14-0333	B, 5% ²	L	Yes ¹	lbs.	B/O	Yes ³

- 1 Applies to additional coverage only
- 2 Tolerance for APH field reviews
- 3 Requires insured's signature, refer to the Actuarial Documents
- 4 EU(s) if provided for in the Special Provisions

31-40 (Reserved)

PART 4 OTHER HANDBOOKS

41 Prevented Planting Loss Adjustment Standards Handbook

Prevented planting coverage is not available for camelina. The Prevented Planting Loss Adjustment Standards Handbook is not applicable.

42 Loss Adjustment Manual (LAM) Standards Handbook

The provisions set forth in the LAM apply to camelina, except as noted in the Camelina LASH or if in conflict with the policy provisions or this handbook.

43 Camelina LASH

The provisions set forth in the Camelina LASH are applicable.

44-50 (Reserved)

PART 5 POLICY DOCUMENTS, INSURABILITY, AVAILABLE COVERAGE LEVELS, AND CALCULATION OF AN INDEMNITY

51 Policy Documents

The policy consists of the application for insurance, Basic Provisions (11BR or successor document), Camelina Crop Provisions, Special Provisions, Actuarial Documents, and, if elected by the producer, the Catastrophic Risk Protection Endorsement (09-CAT or successor document).

52 Insurability, And Production Contract Requirements

A. Insurability

- (1) Camelina acreage may be insured only if the producer has a processor contract in place and provides a copy of the processor contract to the AIP on or before the acreage reporting date.
- (2) If the number of insurable planted acres is greater than the maximum allowable acres, the production guarantee is reduced by an "over-planting factor" (see section 28 of this handbook for instructions). The number of acres grown under the processor contract is determined as follows:
 - (a) For acreage only based processor contracts, and acreage and production based processor contracts which specify a maximum number of acres, the lesser of:
 - (i) The maximum number of acres specified in the processor contract; or
 - (ii) The number of planted acres; or
 - (b) For production only based processor contracts, the lesser of:
 - (i) The number of acres determined by dividing the amount of production stated in the processor contract by the approved yield; or
 - (ii) The number of planted acres.
- (3) Insurable practices for each county are shown in the actuarial documents.

B. Contract Requirements

At a minimum the contract must contain the producer's commitment to plant and grow camelina and to deliver the production to the processor; the processor's commitment to purchase all the production stated in the processor contract; and a base contract price.

53 Coverage Levels

Insureds may select coverage from the catastrophic (CAT) levels through 65 percent of the approved yield.

54 Indemnity Calculation

Indemnities are calculated as follows:

1	Multiplying the number of insured acres of each practice/type, as applicable, by the respective production guarantee (per acre);
2	Multiplying each result of section 1 by the price election;
3	Totaling the results of section 2;
4	Multiplying the production to be counted of each insured type/practice, as applicable, by the price election and by the over-planting factor;
5	Totaling the results of section 4;
6	Subtracting the result of section 5 from the result of section 3; and
7	Multiplying the result in section 6 by the share.

INDEMNITY CALCULATION EXAMPLE:

Line	Variable		Formula
1	Contract acres	80	
2	Maximum allowable acres	84	L1 x 1.05
3	Planted acres	88	
4	Overplanting factor	0.95	L2 / L3
5	Coverage level	0.65	
6	Approved yield	1,579	
7	Production guarantee per acre	975	L6 x L5 x L4
8	Production guarantee	85,800	L3 x L7
9	Price election	0.10	
10	Value of production guarantee	\$8,580	
11	Production to count (lbs)	38,000	
12	Value of production to count	\$3,610	L11 x L9 X L4
13	Value of production guarantee minus value of production to count	\$4,970	L10 - L12
14	Share	1.00	
15	Indemnity	\$4,970	L13 x L14

55-60 (Reserved)

PART 6 PILOT STATES AND COUNTIES

61 Insurance Availability

Camelina crop insurance coverage is available as provided in the actuarial documents.

62-70 (Reserved)

Acronyms and Abbreviations

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

Approved Acronym/Abbreviation	Term
AIP	Approved Insurance Provider
APH	Actual Production History
ARD	Acreage Reporting Date
CAT	Catastrophic Risk Protection
CIH	Crop Insurance Handbook, FCIC-18010
CP	Crop Provisions
EU	Enterprise Unit
FCIC	Federal Crop Insurance Corporation
LAM	Loss Adjustment Manual, FCIC-25010
LASH	Loss Adjustment Standards Handbook, FCIC 20170L
RMA	Risk Management Agency