



United States
Department of
Agriculture



Federal Crop
Insurance
Corporation

FCIC-20500U
(04-2022)

HYBRID VEGETABLE SEED CROP INSURANCE STANDARDS HANDBOOK

2023 and Succeeding Crop Years

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**UNITED STATES DEPARTMENT OF AGRICULTURE
FARM PRODUCTION AND CONSERVATION
RISK MANAGEMENT AGENCY
KANSAS CITY, MO 64133**

TITLE: Hybrid Vegetable Seed Crop Insurance Standards Handbook	NUMBER: 20500U OPI: Product Administration and Standards Division
EFFECTIVE DATE: 2023 and succeeding Crop Years	ISSUE DATE: April 28, 2022
SUBJECT: Provides the procedures and instructions for administering the Hybrid Vegetable Seed crop insurance program	APPROVED: <i>/s/ Richard Flournoy</i> Deputy Administrator for Product Management

REASON FOR ISSUANCE

This handbook provides procedures and instructions for administering the Hybrid Vegetable Seed crop insurance program for the 2023 and succeeding crop years.

Listed below are the changes to the 2023 FCIC Hybrid Vegetable Seed Crop Insurance Standards Handbook with significant content change. All changes, and additions are highlighted. Minor changes and corrections are not included in this listing. *** used throughout the handbook indicate where major deletions occurred.

SUMMARY OF CHANGES

Reference	Description of Change
	Revisions to basis of insurance from insurance based on female acres to insurance based of gross acres (i.e., female and male acres).
<u>Subpara. 1B</u>	Added source of authority regarding the Hybrid Vegetable Seed program.
<u>Subpara. 1C</u>	Added standard language related to Title VI of the Civil Rights Act of 1964.
<u>Subpara. 1D</u>	Added related handbook table.
<u>Subpara. 2B</u>	Added agent responsibilities.
<u>Para. 13F(1)(a)</u>	Clarified the insurance period regarding final planting dates for insurance attachment.
<u>Para. 14(2)(b)</u> and <u>Para. 22B(4)</u>	Removed the language treating male acreage as uninsured acreage.
<u>Para. 22B(1)</u>	Specified the insured crop is hybrid vegetable seed crop without regard to male or female seed and clarified the wording regarding the final planting date for female and male seed.
<u>Para. 22B(3)</u>	Specified separate administrative fees apply to HVS policies written by different AIPS.
<u>Para. 22B(4)(b)</u>	Clarified that the acreage exclusion for acreage damaged prior to the final planting date applies to both female and male HVS acreage.

SUMMARY OF CHANGES (Continued)

<u>Para. 22B(4)(c):</u>	Revised the minimum payment calculations to a gross-acre basis for purposes of establishing the insurable acreage.
<u>Para. 22B(4, Example)</u>	Revised calculations to a gross-acre basis.
<u>Subpara. 23A</u>	Added a note specifying that production lost due to inadequate germination of female or male plants due to insured causes is a covered loss.
<u>Para. 26</u>	Calculation Examples: Revised calculation examples to a gross-acre basis.
<u>Exhibit 2</u>	Minimum guaranteed payment revised to remove the wording to convert the payment to a female-acre basis. Added the definition of price election to be used in establishing amount of insurance and value of appraised production to count.
<u>Exhibit 3</u>	Revised example county yield to a gross-acre basis.

HYBRID VEGETABLE SEED CROP INSURANCE STANDARDS HANDBOOK

CONTROL CHART

	TP Page(s)	TC Page(s)	Text Page(s)	Exhibit Page No.(s)	Date	Directive Number
Current Index	1-3	1-2	1-12	13-17	04-2022	FCIC-20500U

FILING INSTRUCTIONS

This handbook replaces the Hybrid Vegetable Seed Crop Insurance Standards Handbook, FCIC-20500U (05-2019) and FCIC-21500U -1 (04-2021). This handbook is effective for the 2023 and succeeding crop years and is not retroactive to any 2022 or prior crop year determinations.

**HYBRID VEGETABLE SEED CROP INSURANCE STANDARDS HANDBOOK
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RESERVED

PART 1 GENERAL INFORMATION AND RESPONSIBILITIES

1 General Information

A. Purpose

The purpose of this handbook is to provide supplementary instructions for establishing Hybrid Vegetable Seed (HVS) crop insurance coverage in accordance with the HVS CP (23-HVS-0066), HVS LASH (FCIC-20500L), CIH (FCIC-18010), DSSH (FCIC- 24040), and GSH (GSH- 18190). The supplemental RMA-issued standards for this crop and crop year are in effect as of the signature date for this crop handbook

<https://www.rma.usda.gov/Policy-and-Procedure/Privately-Developed-Products---20000>.

This handbook remains in effect until superseded by reissuance of the entire handbook subject to any directives contained in any bulletin or FAD released by RMA. A bulletin or FAD can supersede applicable portions of the original handbook.

B. Source of Authority

The HVS Crop Insurance Program is approved by the FCIC Board of Directors under Section 508(h) of the Federal Crop Insurance Act. HVS Crop Insurance was implemented on May 15, 2019, for the 2020 reinsurance year and 2020 commodity year. The FCIC Board of Directors has approved subsequent changes during 2021 FCIC Board meetings. ***

C. Title VI of the Civil Rights Act of 1964

The USDA prohibits discrimination against its customers. Title VI of the Civil Rights Act of 1964 provides that “No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.” Therefore, programs and activities that receive Federal financial assistance must operate in a non-discriminatory manner. Also, a recipient of RMA funding may not retaliate against any person because he or she opposed an unlawful practice or policy, or made charges, testified or participated in a complaint under Title VI.

It is the AIPs’ responsibility to ensure that standards, procedures, methods and instructions, as authorized by FCIC in the sale and service of crop insurance contracts, are implemented in a manner compliant with Title VI. Information regarding Title VI of the Civil Rights Act of 1964 and the program discrimination complaint process is available on the RMA public website at www.ascr.usda.gov. For more information on the RMA Non-Discrimination Statement see the DSSH.

General Information (Continued)

D. Related Handbooks

The following table identifies handbooks that shall be used in conjunction with this handbook.

Handbook	Relation/Purpose
CIH	Provides overall general underwriting (not crop specific) process.
DSSH	Provides the form standards and procedures for use in the sales and service of crop insurance contracts.
GSH	Provides general crop insurance information.
LAM	Provides overall general loss adjustment (not crop-specific) process.
HYBRID VEGETABLE SEED LASH	Provides loss adjustment procedures for hybrid vegetable seed.

- (1) Terms, abbreviations, and definitions general (not crop specific) to the HVS insurance program are identified in the CIH, GSH, and LAM.
- (2) This handbook contains terms, abbreviations, and definitions specific to this HVS insurance program and are listed in Exhibits 1 and 2, herein and specific procedures identified as additions or exceptions to those general procedures contained in the CIH.

2 Responsibilities

A. AIPs

AIPs must use standards, procedures, methods and instructions as authorized by FCIC in the sale and service of crop insurance policies. Each AIP is responsible for using RMA approved procedures. Procedures herein must be administered on a policy basis.

In addition to the responsibilities discussed in the CIH, the agent will assist the insured in completing the annual acreage report and advise insureds of their responsibility to comply with all reporting requirements of the policy.

B. Agent Responsibilities

In addition to the responsibilities discussed in the CIH, the agent will assist the insured in completing the annual acreage report and advise insureds of their responsibility to comply with all reporting requirements of the policy.

C. Insured

To be eligible for the HVS insurance program, insureds must comply with all terms and conditions of the BP and CP.

3-10 Reserved

PART 2 INSURABILITY

11 Availability

The HVS Crop Insurance Program is a program providing coverage to HVS producers under the yield based dollar plan of insurance. The HVS insurance program is available for counties contained in the AD for Oregon and Washington.

Written agreements are not allowed under the HVS insurance program.

12 Eligibility

A. HVS Crop Insurance Program

The HVS insurance program is available to all persons with a share in insurable HVS acreage meeting the insurability provisions contained in the BP, CP, and SP, and is located in approved counties in Oregon and Washington.

B. Ineligible Persons

Any person with a delinquent debt to RMA or an AIP, or who is otherwise ineligible under the BP, may not obtain HVS insurance coverage.

13 Important Dates

A. Contract Change Date

April 30 preceding the cancellation date.

B. Sales Closing and Cancellation Dates

July 15.

C. Termination Date

November 30.

D. Premium Billing Date

August 15 of the crop year.

E. Acreage Reporting Date

For new and carryover insureds:

Winter-planted - December 15 of the crop year.

Spring-planted - July 15 of the crop year.

13 Important Dates (Continued)

F. Insurance Period

- (1) In addition to section 11 of the BP, insurance attaches upon completion of planting of the:
 - (a) Hybrid vegetable seed crop on or before the final planting date designated in the Special Provisions for female parent plant seed or female and male parent plant seed, if a final planting date for female and male plant seed is specified; or
 - (b) Male parent plant seed in accordance with standard planting practices generally established for the insured crop and production area if a final planting date is not specified for male parent plant seed in the SP.
- (2) End of the Insurance Period

In accordance with section 11 of the BP, the calendar date for the end of the insurance period is October 31 of the crop year.

See section 11 of the BP for additional end of insurance provisions.

14 Acreage Reporting

Additional acreage reporting requirements include:

- (1) The acreage report will list the insured acreage for each basic unit (in lieu of the BP, each HVS contract is used to establish a basic unit).
- (2) The insured must:
 - (a) Report each applicable type, the location, and insurable acreage of the insured crop (winter and spring hybrid carrot seed are listed on the SP under the type heading and the basis for reporting the insured acreage for the insured crop (i.e., crop type)).

Note: The currently available insured crop type (see the type definition) for purposes of HVS program is hybrid carrot seed.
 - (b) Report any uninsured acreage. ***
 - (c) Submit a copy of the processor/seed company contract to the AIP on or before the applicable acreage reporting date.
 - (d) Report the amount, if any, of any minimum guaranteed payment.

15-20 Reserved

PART 3 HYBRID VEGETABLE SEED PROVISIONS AND PROGRAM DETAILS

21 Coverage Levels and Prices for Determining Indemnities

Coverage Levels

The insured may select only one coverage level for each crop (i.e., hybrid carrot seed, garlic seed, etc.) you elect to insure in the county.

Price Elections

The insured may select a different price election for each applicable type contained in the SP (winter and spring) for the crop type (hybrid carrot seed) even if the prices for each type are the same. The price elections the insured chooses for each applicable type are not required to have the same percentage relationship to the maximum price election offered for each applicable type. For example, if the insured chooses 100 percent of the maximum price election for the hybrid carrot seed-winter type, the insured may choose 65 percent of the maximum price election for the hybrid carrot seed-spring type.

County Yields

In lieu of the production reporting requirements contained in section 3 of the BP, the insured must ensure the processor or seed company provides the records the FCIC requires to establish the county yield for each applicable type (e.g., hybrid carrot seed-winter and spring).

22 Insured Crop

A. Insured Crop and Types

The insured commodity and crop types are listed in the SP. The insurable commodity and crop types are shown below:

<u>Commodity</u>	<u>Crop Type</u>
Hybrid Vegetable Seed	Hybrid Carrot Seed

An administrative fee is due for each insured crop type when insurance coverage is available for different crop types.

Note: Winter and spring hybrid carrot seed are listed in the SP as a subcategory of the type heading but are not considered a crop type for administrative fee purposes.

B. Insurability

In accordance with section 7 of the CP:

- (1) The insured crop will be all gross acreage of the hybrid vegetable seed of the crop type (i.e., hybrid carrot seed) contained in the SP that the insured elects insurance coverage in the county and for which a premium rate is provided in the AD: ***

B. Insurability (Continued)

- (a) In which the insured has a share (The insured will have a share in the crop if "...a "lease" under which the insured retains control of the acreage on which the insured crop ... will be treated as a contract under which the insured has an insurable interest in the crop." See section 7(b) of the CP.);
 - (b) That is grown under a HVS contract executed by the applicable acreage reporting date;
 - (c) That is planted for harvest as commercial HVS in accordance with a HVS processor contract and required processor/seed company production practices;
 - (d) That is irrigated; and
 - (e) That is not (unless allowed on the SP):
 - (i) Planted with a mixture of female and male parent seed in the same row;
 - (ii) Planted for any purpose other than for commercial HVS;
 - (iii) Interplanted with another crop;
 - (iv) Planted into an established grass or legume;
 - (v) Planted to a variety which is not specified in the SP. (See the SP to determine if insurability for unlisted varieties is authorized.); or
 - (f) That does not include any acreage planted only to male parent seed (for example, a separate field containing only male plant seed). The exclusion does not apply to acreage containing male plant seed planted in a standard male/female planting pattern.
- (2) A commercial HVS company may insure the HVS crop if the requirements of section 7(c) of the CP are met.
- (3) Separate HVS policies may be written with different AIPs provided all HVS acreage for the insured crop in the county is insured and under contract with different processors/seed companies. A separate administrative fee applies for each separate HVS policy written with a different AIP.
- (4) Insurable acreage exclusions, in addition to those contained in the BP, include acreage:

- (a) Not in compliance with applicable rotation requirements;
 - (b) That is damaged prior to the final planting date (either female or male acreage) and the AIP determines replanting is practical and the acreage is not replanted (see the HVS CP "practical to replant" definition);

B. Insurability (Continued)

- (c) On which the minimum guaranteed payment for the unit (based on gross acres, i.e., female and male plant acreage) exceeds the amount determined by multiplying the applicable amount of insurance per gross acre times the insured gross acreage in the unit; or ***

Example: For a 10-acre unit, the applicable amount of insurance for the unit is \$33,750. (The dollar amount of insurance for the unit is based on 10 gross acres (10 gross acres × \$3,375 per gross acre). ***

The minimum guaranteed payment contained in the processor contract for the unit based on 10 gross acres is \$37,500 (10 gross acres × the minimum guaranteed payment contained in the processor contract of \$3,750 per gross acre).

The \$37,500 minimum guaranteed payment (\$3,750 per gross acre × 10 gross acres) exceeds the \$33,750 amount of insurance for the unit. Such acreage would not be insurable. ***

- (d) On which a contract payment is paid to the producer for the sole purpose of growing the HVS crop on the acreage without any responsibility for the costs and related financial risk of producing the crop.

23 Causes of Loss

A. Crop Provisions – Insured Causes

The CP provide crop insurance coverage only against the following causes of loss that occur within the insurance period:

- (1) Adverse weather conditions;
- (2) Fire (including smoke damage);
- (3) Wildlife;
- (4) Earthquake;
- (5) Volcanic eruption;
- (6) Failure of the irrigation water supply, if caused by a cause of loss specified in Para. 33A(1) - (5) that occurs during the insurance period;
- (7) Insects, but not damage due to insufficient or improper application of pest control measures; or

23 Causes of Loss (Continued)

A. Crop Provisions – Insured Causes (Continued)

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

B. Exclusions

In addition to the causes of loss excluded in section 12 of the BP, coverage is not provided against damage or loss due to:

- (1) Use of unadapted, incompatible, or genetically deficient male or female parent plant seed;
- (2) Frost or freeze after the date established by the SP;
- (3) Failure to follow the requirements stated in the HVS processor contract and production management practices of the processor/seed company; or
- (4) Failure to plant the male parent plant seed in accordance with section 9(a) of the CP in a manner sufficient to assure adequate pollination of the female parent plants.

Any insured cause impacting the female and male plant acreage resulting in a reduction in HVS production to count, which is attributed to inadequate germination rates of the seed from female plants on the insured acreage, is not covered by the policy unless the insured has provided adequate notice as required by section 11(b).

24 Unit Division

A. Basic Unit

In lieu of section 34(b) of the BP, basic units are established for all acreage planted to the insured crop in the county that will be used to fulfill a HVS processor contract.

There will be no more than one basic unit for all production contracted under each HVS processor contract.

B. Optional, Enterprise, and Whole-Farm Units

The optional, enterprise and whole-farm unit provisions in the BP are not applicable.

25 Quality Adjustment

Hybrid vegetable seed production is not adjusted for quality. All appraised and harvested production is counted (Exception: harvested production with a germination rate less than 85 percent due to insured causes of loss will not be considered production to count).

25 Quality Adjustment (continued)

Any field-run or clean seed production purchased by a processor or seed company will be considered production to count regardless of the germination percent except as otherwise authorized on the SP.

26 Calculation Examples

Contract Price Schedule: ***

Gross Acre Price Schedule

\$25/lb. - 1st 85 lbs.

\$15/lb. - Next 150 lbs.

\$10/lb. - Excess of 235 lbs.

Example Calculations

Actuarial Document Information (per gross acre; i.e., female and male acres)

County Yield - 300 pounds

Price Election - \$15/pound

Example 1:

The insured has a 100 percent share in 40 gross (female and male) acres of the winter hybrid carrot seed in the unit. The amount of insurance guarantee per gross acre is \$3,375.00 [county yield of 300 pounds per gross acre multiplied by a price election of \$15.00 per pound (the actuarial documents price election of \$15.00 times your 100 percent price election percentage), the result multiplied by 0.75 for the 75 percent coverage level equals \$3,375.00 per gross acre minus the minimum guaranteed payment of zero]. The winter hybrid carrot seed production was 6,000 pounds (150 pounds per gross acre = 6,000 pounds ÷ 40 gross acres) which will be valued based on the contract price for each level of production contained in your hybrid vegetable seed processor contract (\$25/lb. for the first 85 pounds of production; \$15/lb. for the next 150 pounds of production; and \$10/lb. for pounds in excess of 235 pounds). ***

The premium due is \$12,150.00 (\$3,375.00 amount of insurance per gross acre × 40 gross acres × .09 premium rate × 100% share). ***

- (1) 40 gross acres × \$3,375.00 = \$135,000.00 amount of insurance guarantee; ***
- (2) Production to count/gross acre = 150 pounds (6,000 pounds total production to count ÷ 40 gross acres); ***
- (3) Value of hybrid seed production/gross acre = \$3,100 [(\$25/pound × 85 lbs./acre) + (\$15/pound × 65 lbs./acre)]; ***

26. Calculation Examples (continued)

- (4) Total value of hybrid carrot seed production = \$124,000.00 (\$3,100 x 40 gross acres); ***
- (5) \$135,000.00 - \$124,000.00 = \$11,000.00; and
- (6) \$11,000.00 x 100 percent share = \$11,000.00 indemnity payment.

Example 2:

The insured has a 100 percent share in 40 gross acres (female and male) of the winter hybrid carrot seed in the unit. The amount of insurance guarantee per gross acre is \$875.00 [county yield of 300 pounds per gross acre multiplied by a price election of \$15.00 per pound (the actuarial documents price election of \$15.00 times your 100 percent price election percentage), the result multiplied by 0.75 for the 75 percent coverage level equals \$3,375.00 per gross acre minus the minimum guaranteed payment of \$2,500.00 per gross acre – see Para. 32(d) for minimum guarantee per acre calculations]. The hybrid carrot seed production was 6,000 pounds. ***

(150 pounds per gross acre = 6,000 pounds ÷ 40 gross acres) which will be valued based on the contract price for each level of production contained in your hybrid vegetable seed processor contract (\$25/lb. for the first 85 pounds of production; \$15/lb. for the next 150 pounds of production; and \$10/lb. for pounds in excess of 235 pounds).

The premium due is \$3,150.00 [(\$3,375.00 amount of insurance per gross acre - \$2,500.00 minimum guaranteed payment) × 40 gross acres × .09 premium rate × 100% share]. ***

- (1) 40 gross acres × \$875.00 = \$35,000.00 amount of insurance guarantee; ***
- (2) Production to count/gross acre = 150 pounds (6,000 pounds total production to count ÷ 40 gross acres); ***
- (3) Value of hybrid seed production/gross acre = \$3,100 [(\$25/pound × 85 lbs./acre) + (\$15/pound × 65 lbs./acre)]; ***
- (4) Total value of hybrid carrot seed production = \$124,000.00 (\$3,100 × 40 gross acres); ***
- (5) \$35,000.00 - \$124,000.00 = \$00.00; and
- (6) No indemnity due.

27 Excluded Coverages

The following coverages do not apply to the HVS insurance program:

- A. Prevented Planting
- B. Late Planting
- C. Replanting

The following forms are required for the HVS insurance program:

- A. Application
- B. Policy Change
- C. Acreage Report

28-30 Reserved

31 CIH and GSH Applicability

Specific changes and additions to the CIH are described in this part. Other applicable CIH and GSH procedures not in conflict with the CP and this handbook apply.

32 Record Requirement

In lieu of production records and reporting, HVS insurance program requires the insured must ensure the processor or seed company provides the records required to establish the county yield for each applicable type contained in the AD (e.g., hybrid carrot seed-winter and hybrid carrot seed-spring).

33 CIH Part 20, Section 7

A. Hybrid Vegetable Seed:

- (1) Is considered a Category D crop; and
- (2) Is covered under the Yield Based Dollar Amount of Insurance coverage plan (55).

B. Insurability Requirements

Availability

- (1) The HVS insurance program is available for Oregon and Washington counties contained in the AD.
- (2) Written agreements are not allowed under the HVS insurance program.

C. County Yields

The county yield for the applicable type is contained in the AD. This yield is the sole basis for establishing the amount of insurance per gross acre. The insured and AIP rely entirely on this information to establish insurance coverage for HVS crops insured under the HVS insurance program. ***

County yields are based on historical production data for the different types of hybrid vegetable seed crops (including subcategories such as winter and spring) on a gross acre basis. ***

(See Exhibit 3 for example AD.)

D. Amount of Insurance

The amount of insurance per gross acre for the applicable type is established by multiplying the county yield by the applicable price election (the published price election times the insured's price percentage for the applicable type), multiplying the result by the elected coverage level, and subtracting any minimum guaranteed payment. (The county yield and price election for each applicable type are contained in the AD.) ***

34-40 Reserved

EXHIBITS

Exhibit 1 Acronyms and Abbreviations

The following table contains RMA-approved acronyms used in this handbook.

Approved Acronyms	Term
<u>AD</u>	Actuarial Documents
AIP	Approved Insurance Provider
<u>BP</u>	Common Crop Insurance Policy Basic Provisions
<u>CIH</u>	FCIC-18010 Crop Insurance Handbook
<u>CP</u>	Crop Provisions
<u>DSSH</u>	FCIC-24040 Document and Supplemental Standards Handbook
<u>FCIC</u>	USDA Federal Crop Insurance Corporation
HVS	Hybrid Vegetable Seed
<u>LAM</u>	Loss Adjustment Manual
<u>RMA</u>	USDA Risk Management Agency
<u>SP</u>	Special Provisions

Exhibit 2 Definitions

Amount of insurance (per gross acre): means a dollar amount determined by multiplying the applicable county yield by the applicable price election and coverage level the insured selects and subtracting any minimum guaranteed payment. If the insured's hybrid vegetable seed processor contract contains a minimum guaranteed payment stated in pounds or kilograms, the AIP will convert that value to dollars by multiplying it by the price election the insured selected. ***

Certified seed test: means a warm germination test on clean seed according to specifications of the "Rules for Testing Seeds" of the Association of Official Seed Analysts.

Clean seed: means hybrid vegetable seed which has been conditioned by the processor/seed company.

Commercial hybrid vegetable seed: means the offspring produced by crossing a female and male parent plant, each having a different genetic character. This offspring is the product intended for use by a grower to produce a commercial vegetable crop.

Condition: means a process to remove the husk, chaff, immature and undersized seeds, weed seeds, inert matter, other crop seeds, and other materials from the field-run production to the extent such removal is possible and subsequently drying the hybrid vegetable seed.

County yield: means an amount contained in the actuarial documents that represents the yield a type of the hybrid vegetable seed crop would be expected to produce per gross acre. The applicable county yield is contained in the actuarial documents and will be based on records provided by the processor/seed company. ***

Female parent plants: means vegetable plants that are grown for the purpose of producing commercial hybrid vegetable seed and are male sterile.

Field-run: means commercial hybrid vegetable seed production before it has been conditioned.

Good farming practices: means in addition to the definition contained in the Basic Provisions, good farming practices include those practices required by the hybrid vegetable seed processor contract.

Gross acre (acreage): means Insurable acreage of male and female vegetable plants.

Harvest: means combining and/or threshing the female parent plants to obtain commercial hybrid vegetable seed.

Hybrid vegetable seed processor contract: means a legal contractual written agreement executed between a hybrid vegetable seed producer and a processor/seed company containing, at a minimum:

- (a) The producer's promise to plant and grow female and male parent plants and to deliver all field-run commercial hybrid vegetable seed produced from the female plants to the processor/seed company;
- (b) The processor/seed company's promise to purchase the commercial hybrid vegetable seed produced by the producer; and

Hybrid vegetable seed processor contract (Continued)

(c) A stated value, compensation, or method to derive a value that will be paid to the producer for the production as specified in the hybrid vegetable seed contract for the clean commercial hybrid vegetable seed variety.

Inadequate germination: means germination less than 85 percent of the commercial hybrid vegetable seeds as determined using a certified seed test.

Insurable interest: means the insured's share of the financial loss that occurs in the event seed production is damaged by a cause of loss specified in section 10 of the Crop Provisions.

Male parent plants: means vegetable plants grown for the purpose of pollinating the female parent plants.

Minimum guaranteed payment: means a minimum amount (often stated in dollars) specified in the insured's hybrid vegetable seed processor contract that will be paid or credited to the insured by the processor or seed company regardless of the quantity of seed produced or value to the insured or any limitations, exceptions, or exclusions that are contained in the processor contract. If your contract contains payment amounts that increase based on the insured crop's development, the highest payment amount stated in your processor contract will be is used as the minimum guaranteed payment. ***

Planted acreage: means in addition to the definition contained in the Basic Provisions, the insured crop must be planted in rows wide enough to permit mechanical cultivation, unless otherwise provided by the Special Provisions.

Inadequate germination: means germination less than 80 percent of the commercial hybrid vegetable seeds as determined using a certified seed test.

Planting pattern: means the arrangement of the rows of female and male parent plants in a field such as planting two consecutive rows of male parent plants and then four consecutive rows of female parent plants.

Pound: means a unit of weight equal to 16 ounces avoirdupois.

Practical to replant: means in addition to the definition contained in the Basic Provisions, practical to replant applies to either the female or male parent plants. It will not be considered practical to replant unless production from the replanted acreage can be delivered under the terms of the hybrid vegetable seed processor contract, or the processor/seed company agrees in writing that it will accept the production from the replanted acreage.

Price Election: means the price contained in the actuarial documents for establishing the amount of insurance and the value of appraised production to count [for purposes of section 12(c)(1)(ii) and (iii) of the Crop Provisions].

Exhibit 2 Definitions (Continued)

Processor: means any business enterprise regularly engaged in the processing of hybrid vegetable seed that possesses all licenses and permits for processing hybrid vegetable seed required by the state in which it operates and that owns or has contracted sufficient drying, screening, and bagging or packaging equipment to accept and process the hybrid vegetable seed within a reasonable amount of time after harvest.

Sample: means for the purpose of the certified seed test, at least the minimum weight of randomly selected clean hybrid vegetable seed specified in the Special Provisions for each type of hybrid vegetable seed.

Seed: means the applicable seed type for the specific hybrid vegetable seed crop. For example, the hybrid carrot seed crop is planted with either carrot seed or stecklings (transplanted roots).

Seed company (commercial hybrid): means a business enterprise that possesses all licenses for processing or marketing commercial hybrid vegetable seed required by the state in which it is domiciled or operates and which possesses or has contractual access to facilities with enough drying and storage capacity to accept and process the insured crop within a reasonable amount of time after harvest. If the seed company is the insured, it must also be a corporation.

Seed production: means all clean seed produced by female parent plants of appropriate dryness and size, with a germination rate of at least 85 percent as determined by a certified seed test unless a different percentage is specified in the Special Provisions.

Type: means a category of hybrid vegetable seed identified as a type in the Special Provisions (e.g., hybrid carrot seed or other hybrid vegetable seed types, as applicable). Notwithstanding type as the basis for the insured crop, type may be separated into subcategories (e.g., winter or spring) solely for purpose establishing separate premium rates, prices elections, price percentages and other applicable purposes under hybrid vegetable seed policy.

Sample Actuarial Document Example – County Yield (per gross acre) ***

Types / Practices	T/P 01	T/P 02
Type	Hybrid Carrot Seed Winter 255	Hybrid Carrot Seed Spring 256
Practice	Irrigated 002	Irrigated 002
Base County Rates		
County Yield	300.00	400.00 ***
Coverage Level Percent	0.65	0.65
Unit Of Measure	LB	LB
Base Rate	0.0600	0.0600