



United States
Department of
Agriculture



Federal Crop
Insurance
Corporation

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SESAME PILOT CROP INSURANCE STANDARDS HANDBOOK

2024 and Succeeding Crop Years

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**UNITED STATES DEPARTMENT OF AGRICULTURE
FARM PRODUCTION AND CONSERVATION
RISK MANAGEMENT AGENCY**

TITLE: SESAME PILOT CROP INSURANCE HANDBOOK	NUMBER: FCIC-24180 OPI: Product Administration and Standards Division
EFFECTIVE DATE: 2024 and Succeeding Crop Years	ISSUE DATE: November 21, 2023
SUBJECT: Provides the insurance standards for administering the Sesame Pilot crop insurance program.	APPROVED: <i>/s/ John W. Underwood for</i> Deputy Administrator for Product Management

REASON FOR ISSUANCE

This handbook provides underwriting and administration standards for the Sesame Pilot crop insurance program. This handbook replaces FCIC-24180, Sesame Pilot Crop Insurance Standards Handbook, issued November 29, 2018. This handbook is effective for the 2024 and succeeding crop years and is not retroactive to any 2023 or prior crop year determinations.

SUMMARY OF CHANGES

Listed below are the significant content changes to the FCIC-24180, Sesame Pilot Crop Insurance Standards Handbook. All major changes and additions are highlighted. Three asterisks (***) indicate where major deletions occurred. Minor changes and corrections are not included in this listing.

Reference	Description of Change
Throughout	Updated to External Handbook Standards.
Throughout	Removed APH from program name references consistently using “Sesame Pilot” throughout.
TP	Removed Control Chart and incorporated Filing Instructions into Reason for Issuance, per latest EHS.
Para. 1F	Pilot area references AD.
Para. 22B	Added enterprise units.

SESAME PILOT CROP INSURANCE STANDARDS HANDBOOK

TABLE OF CONTENTS

PART 1: GENERAL INFORMATION AND RESPONSIBILITIES	2
1 General Information.....	2
2 Responsibilities.....	4
3-20 (Reserved)	4
PART 2: ELIGIBILITY REQUIREMENTS AND INSURABILITY	5
21 Eligibility Requirements.....	5
22 Insurability	5
23-30 (Reserved)	5
PART 3: APPLICABILITY OF HANDBOOKS	6
31 General Overview.....	6
32 Specific Information Regarding the CIH, GSH, and LAM	6
33 Prevented Planting Standards Handbook.....	7
34 Loss Adjustment Manual	7
35 Sesame Loss Adjustment Standards Handbook.....	7
36 General Standards Handbook	8
EXHIBITS	9
Exhibit 1 Acronyms and Abbreviations.....	9
Exhibits 2-4 (Reserved)	10
Exhibit 5 Examples	11

PART 1: GENERAL INFORMATION AND RESPONSIBILITIES

1 General Information

A. Purpose and Objective

This handbook provides procedure for administering the Sesame Pilot Program according to the Sesame Pilot CP, and supplements the CIH, GSH, LAM, and Sesame Pilot LASH via exceptions, changes, and additions.

If there is a conflict between this handbook and the CIH, GSH, LAM, or Sesame Pilot LASH, this handbook controls.

B. Source of Authority

The Food, Conservation and Energy Act of 2008 requires the Risk Management Agency to develop a pilot program for sesame. 7 U.S.C. 1523(g) requires that FCIC "...shall establish and carry out a pilot program under which a producer of non-dehiscent sesame under contract may elect to obtain multi-peril crop insurance, as determined by the Corporation."

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 they 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 USDA public website or www.usda.gov/oascr. For more information on the RMA Non-Discrimination Statement see the DSSH.

D. Related Handbooks

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

Handbook	Relation/Purpose
CIH	This handbook provides the official FCIC-approved underwriting standards for policies administered by AIPs for the General Administrative Regulations, Common Crop Insurance Policy Basic Provisions, and Area Risk Protection Regulations.
DSSH	This handbook provides the official FCIC-approved form standards for use in the sale and service of any eligible Federal crop insurance policy; required statements and disclosures; and the standards for submission and review of non-reinsured supplemental policies in accordance with the SRA.
GSH	This handbook provides the official FCIC-approved standards for policies administered by AIPs under the General Administrative Regulations, Common Crop Insurance Policy Regulations Basic Provisions, including the Catastrophic Risk Protection Endorsement; the Area Risk Protection Insurance Regulations Basic Provisions; the Stacked Income Protection Plan of Insurance; the Rainfall Index Plan; and the Whole-Farm Revenue Protection Pilot Policy.
LAM	This handbook provides the official FCIC-approved general loss adjustment standards for all levels of insurance provided under FCIC unless a publication specifies that none or only specified parts of this handbook apply.
Sesame Pilot LASH	This handbook provides loss procedures and instructions for administering the Sesame Pilot crop insurance program.

- (1) Terms, abbreviations, and definitions general (not crop specific) to loss adjustment are identified in the GSH and the LAM.
- (2) Terms, abbreviations, and definitions specific to sesame loss adjustment and this handbook are in [Exhibit 1](#) and [Exhibit 2](#), herein.

E. Duration

The Sesame Pilot Program is available beginning with the 2011 crop year and is authorized until terminated or converted to a permanent program by the FCIC Board of Directors.

1 General Information (Continued)

F. Pilot Area

See AD for the pilot area.

G. Written Agreements

Only written agreements under Section 18(f)(2) of the BP (for counties without AD for the crop) are applicable. No other policy provisions may be modified.

H. Applying for Sesame Pilot Program

AIPs shall use the standard application for Sesame Pilot Program.

2 Responsibilities

A. AIP Responsibilities

AIPs must use standards, procedures, methods, and instructions as authorized by FCIC in the sale and service of crop insurance contracts. Each AIP is responsible for using RMA-approved procedure. AIPs should report any pilot program issues or concerns to PASD of RMA. AIPs must submit all yield records for APH databases for sesame.

B. Insured's Responsibilities

To be eligible for the Sesame Pilot Program, insureds must comply with all terms and conditions of the Sesame Pilot CP, BP, and all other applicable documents.

3-20 (Reserved)

PART 2: ELIGIBILITY REQUIREMENTS AND INSURABILITY

21 Eligibility Requirements

A. Production Experience

Production and yield data must be on the basis of the pounds of clean dry sesame seed for which a processor paid the producer.

B. Eligible Acreage and Crop

Insurance coverage is not authorized for any of the following, unless allowed by the SP:

- (1) Sesame inter-planted with another crop;
- (2) Sesame planted into an established grass or legume; or
- (3) Non-irrigated sesame planted on land on which any of the following occurred in the same calendar year:
 - (a) a hay crop was harvested, including a harvested small grain hay crop;
 - (b) a small grain crop reached the headed stage, regardless of the percentage of small grain plants that reached the headed stage; or
 - (c) a crop was grazed past March 15, or other date provided in SP.

22 Insurability

A. Insurable Types, Varieties and Practices

Types are specified for White Sesame and Black Sesame. No varieties are specified. Both irrigated and non-irrigated practices are insurable.

B. Insurable Coverage Levels, and Units

Eligible growers may select coverage from CAT levels through 75 percent of APH yield. Coverage levels greater than 75 percent are not offered in this program.

Coverage is available for basic, optional, and enterprise units. In addition to optional unit structure allowed under Section 34(c) of the BP, the APH Sesame Pilot CP Section 2 allows optional units to be established by type.

23-30 (Reserved)

PART 3: APPLICABILITY OF HANDBOOKS

31 General Overview

This Part identifies information specific to the applicability of the CIH, GSH, LAM, and any other issuance that may require supplemental information with regard to sesame or to the APH plan of insurance. Unless specifically amended or supplemented by information in this handbook, all policy and procedure issuances apply to sesame and to the APH plan of insurance.

32 Specific Information Regarding the CIH, GSH, and LAM

The following table provides general information, changes, additions, and modifications, termed supplemental instructions, regarding the CIH, GSH, and LAM, applicable to Sesame Pilot Program.

Handbook Reference	Supplemental Instructions
LAM	<u>Replanting</u> Sesame is added to the Crop Replanting Requirements table but is not eligible for replanting payments.
CIH Part 10 Section 2	<u>Optional Units</u> Optional units by type are authorized for sesame if types are designated on the SP.
CIH Part 10 Section 3	<u>Enterprise Units</u> Enterprise units are authorized when allowed by the AD.
CIH Part 10 Section 4	<u>Whole Farm Units</u> Sesame is not eligible for Whole Farm units.
CIH Part 12 Section 2 Para. 1215	<u>Late Planting</u> Late planting provisions do not apply to sesame.
CIH Part 13	<u>Production Report</u> Acceptable Production Reports and Submission of Production Reports rules apply to sesame.
CIH Part 15 Section 3	<u>APH Yield Adjustment</u> Procedures set forth in CIH Section 3 regarding APH yield adjustment shall apply to the Sesame Pilot APH Program with the exception that yield floors do not apply.
CIH Part 15 Section 6	<u>Reviewing and Correcting APH Yields</u> Companies will follow APH review procedures as outlined in Section 6 of the CIH in the event APH yield adjustment is required.

32 Specific Information Regarding the CIH, GSH, and LAM (Continued)

Handbook Reference	Supplemental Instructions
CIH Part 17	<u>Category B Crop Procedures</u> Sesame is added as a crop for which the Category B underwriting and APH responsibilities apply. Yield floors do not apply.
CIH Part 18	<u>Category C APH Crops (Perennial Crops)</u> Not applicable.
CIH Part 19	<u>Additional Provisions by Crop</u> Sesame. (a) Acceptable supporting records. A copy of the contract and settlement sheet is required. Statements or contract summaries from processors must indicate the quantity of clean dry sesame seed purchased, dollars received for product delivered, the base contract price, and the area planted. If farm management records are used to support production reports, they must be substantiated by records from a processor. (b) The insured crop. Non-dehiscent varieties of sesame adapted for mechanical harvesting are the only varieties insurable. The insured crop and the production to count are the clean dry sesame seed. Production and yield data must be recorded on the basis of the pounds of clean dry sesame seed paid for by the processor.
GSH Part 8 Section 2 Para.837	<u>Price</u> If there are multiple base contract prices within the same unit, each will be considered a separate price election that will be multiplied by the number of insurable acres under the applicable processor contract. These amounts will be totaled to determine the premium, liability, and indemnity.
GSH Exhibit 8A	<u>Category B Crops</u> Sesame is added to the definition of Category B Crops.
GSH Exhibit 8A	<u>APH Yield Tolerance</u> The APH Yield Tolerance for sesame is 5%.
DSSH	Use APH form.

33 Prevented Planting Standards Handbook

The Prevented Planting Standard Handbooks is not applicable to the Sesame Pilot Program. Prevented planting coverage is not available for sesame.

34 Loss Adjustment Manual

The procedures identified in the LAM are adopted for the Sesame Pilot Program.

35 Sesame Loss Adjustment Standards Handbook

The Sesame Pilot Program Loss Adjustment Standard Handbook applies to this pilot.

36 General Standards Handbook

The General Standards Handbook applies to this pilot.

EXHIBITS

Exhibit 1 Acronyms and Abbreviations

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

Approved Acronym/Abbreviation	Term
AD	Actuarial Documents
AIP	Approved Insurance Provider
APH	Actual Production History
BP	Basic Provisions
CAT	Catastrophic Risk Protection
CIH	Crop Insurance Handbook, FCIC-18010
CP	Crop Provisions
DSSH	Document and Supplemental Standards Handbook, FCIC-24040
FCIC	Federal Crop Insurance Corporation
GSH	General Standards Handbook, FCIC-18190
LAM	Loss Adjustment Manual, FCIC-25010
LASH	Loss Adjustment Standards Handbook
OPI	Office of Primary Interest
RMA	Risk Management Agency
SP	Special Provisions
SRA	Standard Reinsurance Agreement
USDA	United States Department of Agriculture

Exhibit 5 Examples

Acres = 200

Practice = Irrigated

Producer average APH Yield = 640 lbs./acre

Coverage level = 75 percent

Production guarantee (producer average APH yield times × coverage level) = 480 lbs./acre

Price election (Base contract price) = \$0.28 per lb.

Price election percentage = 100 percent

Share = 100 percent

County reference yield = 600 lbs./acre

Reference rate = 0.186

Exponent = -1.33

Fixed rate = 0.036

Ratio of producer average APH Yield to County reference yield = 1.07 (640 ÷ 600)

Premium rate = 0.206 (0.036 + 0.186 × (1.07)^{-1.33})

A. Example 1 – Calculating a Premium

Sesame Pilot program premiums are calculated according to the BP, section 7(c). Calculate the premium using the following formula:

$$[(\text{Production guarantee per acre}) \times (\text{price election}) \times (\text{premium rate}) \times (\text{insured acreage}) \times (\text{share})]$$

The calculated premium is \$5,537 (480 × \$0.28 × 0.206 × 200 × 1.000)

B. Example 2- Calculating an indemnity with multiple contracts and multiple prices.

Jim Farmer has a contract with Company A for 50 acres of white sesame with a contract price of 25 cents per pound. He has a second contract with Company A for 30 acres of black sesame in the same unit at 30 cents per pound. His APH yield is 800 pounds per acre for white sesame and 500 pounds for black sesame and he has coverage at the 75% level. His production guarantee for white sesame is 800 pounds × 75 percent = 600 pounds and for black sesame 500 pounds × 75 percent = 375 pounds. His share in both cases is 100 percent. A minor drought damages both fields and the appraised yield is 400 pounds for the white sesame and 300 pounds for the black sesame. His settlement of claim would be calculated as follows:

Step 1)	50 acres × 600 pounds =	30,000 pounds
	30 acres × 375 pounds =	11,250 pounds
Step 2)	30,000 pounds × \$0.25 =	\$7,500
	11,250 pounds × \$0.30 =	\$3,375
Step 3)	\$7,500 + \$3,375 =	\$10,875
Step 4)	20,000 white PTC × \$0.25 =	\$5,000
	9,000 black PTC × \$0.30 =	\$2,700
Step 5)	\$5,000 + \$2,700 =	\$7,700
Step 6)	\$10,875 - \$7,700 =	\$3,175
Step 7)	\$3,175 × 100% share =	\$3,175 Indemnity