

United States
Department of
Agriculture



Federal Crop Insurance Corporation

FCIC-24410 (06-2023)

# CAMELINA (PILOT) INSURANCE STANDARDS HANDBOOK

**2024 and Succeeding Crop Years** 



# UNITED STATE DEPARTMENT OF AGRICULTURE FARM PRODUCTION AND CONSERVATION RISK MANAGEMENT AGENCY

TITLE: CAMELINA (PILOT) INSURANCE	NUMBER: FCIC-24410
STANDARDS HANDBOOK	OPI: Product Management
<b>EFFECTIVE DATE: 2024 and succeeding crop years</b>	ISSUE DATE: June 30, 2023
SUBJECT:	APPROVED:
Provides the underwriting procedures and instructions for administering the Camelina crop	/s/ John W. Underwood for
insurance (pilot) program.	Deputy Administrator for Product Management

#### **REASON FOR ISSUANCE**

This handbook is being issued to provide underwriting standards for administering the Camelina (Pilot) Crop Insurance Program for the 2024 and succeeding crop years. This handbook replaces the 2022 and succeeding crop years Camelina (Pilot) Crop Insurance Underwriting Guide. 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 changes to the 2022 FCIC-24410 Camelina Insurance Standards Handbook with significant content change.

Reference	Description of Change		
TP Pages	Removed Control Chart and combined the filing instructions with the Reason for Issuance.		
Para. 1D	Updated related handbook purpose statements.		
<u>Para. 11</u>	Added additionally insurability requirements based on changes to the Camelina CP.		
Para. 14	Added applicable insurance dates.		
Para. 23	Changed written agreement statement to allow written agreements in select counties as		
	authorized in the Camelina CP.		
Exhibit 2	Added definitions for: Swathed, Type, and Windrow. Modified definition of: Harvest.		
	Alphabetized definition for Production Guarantee.		



# CAMELINA (PILOT) INSURANCE STANDARDS HANDBOOK

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#### PART 1: GENERAL INFORMATION AND RESPONSIBILITIES

#### 1 General Information

#### A. Purpose and Objective

The purpose of the handbook is to provide instructions for establishing crop insurance coverage and to adjust losses in accordance with the Camelina Pilot Crop Provisions (24-0333) and as a supplement to the CIH, GSH, and LAM via exceptions, changes and additions. If there is a conflict between this handbook and the CIH, GSH, or the LAM, this handbook controls.

#### B. Source of Authority

The Camelina Crop Insurance (Pilot) Program was initially approved by the FCIC Board of Directors under Section 508(h) of the Federal Crop Insurance Act. Responsibility for maintenance was transferred to RMA for the 2017 and subsequent reinsurance years in accordance with 7 CFR part 400 subpart V. Ongoing maintenance by RMA is authorized under section 523 of the Federal Crop Insurance Act.

#### 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 <a href="USDA">USDA</a> public website at <a href="www.ascr.usda.gov">www.ascr.usda.gov</a>. For more information on the RMA Non-Discrimination Statement, see the DSSH.

#### D. Related Handbooks

Handbook	Relation/Purpose
Camelina	This handbook provides the official FCIC-approved loss adjustment standards
LASH	specific to the Camelina program.
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.

#### D. Related Handbooks (Continued)

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.
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.

#### E. Program Duration

The Camelina Crop Insurance (Pilot) Program initially became available beginning with the 2012 crop year and is authorized until terminated or converted to a permanent program by the FCIC Board of Directors.

#### F. Pilot Area

See Actuarial Documents for the pilot area.

#### 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 (Pilot) Program. AIPs should report program issues or concerns to RMA.

#### B. Insured's Responsibilities

To be eligible for the Camelina (Pilot) 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: INSURABILITY**

#### 11 Insurability

- (1) Camelina may be insured only if it is grown under, and in accordance with the requirements of a processor contract executed on or before the ARD.
- (2) Insurable acreage will be the number of planted acres associated with a processor contract, including acres more than the processor contracted acreage and subject to the over-planting factor.
- (3) The AIP will not provide insurance on any acreage that does not meet the rotation requirements contained in the SP.
- (4) Any acreage of the insured crop damaged before the final planting date, to the extent that most producers producing the crop on similarly situated acreage in the area would not normally further care for the crop, must be replanted unless the AIP agrees it is not practical to replant.
- (5) Insurable types and practices for each county are shown in the actuarial documents.
- (6) When the SP designate only a spring-planted type, any acreage of fall-planted camelina is not insured unless the insured requests coverage on or before the spring type SCD and the AIP determines in writing that the acreage has an adequate stand in the spring to produce the yield used to determine the production guarantee. If the AIP fails to inspect the acreage by the spring final planting date, insurance will attach in accordance with (c).
  - (a) The request for coverage must include the location and number of fall-planted acres.
  - (b) The fall-planted acreage will be insured as the spring-planted type for the purpose of the production guarantee, premium, and price election.
  - (c) Insurance will attach to the fall-planted acreage on the date the AIP determines an adequate stand exists or on the spring final planting date if the AIP does not determine adequacy of the stand by the spring final planting date.
  - (d) Any fall-planted acreage that is damaged after it is accepted for insurance but before the spring final planting date, to the extent that growers in the area would normally not further care for the crop, must be replanted to a spring-planted type of the insured crop unless the AIP agrees it is not practical to replant.
  - (e) If fall-planted acreage is not to be insured it must be recorded on the acreage report as uninsured fall-planted acreage.

#### 12 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.

#### 13 Coverage Levels

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

#### 14 Insurance Dates

- (1) The cancellation and termination dates are:
  - (a) February 1 for counties without a fall-planted type specified in the AD; or
  - (b) September 30 for counties with a fall-planted type specified in the AD.
- (2) The contract change date is November 30 preceding the cancellation date for counties with a February 1 cancellation date and June 30 preceding the cancellation date for all other counties.
- (3) The date for the end of the insurance period is August 31, unless otherwise specified in the SP.

#### 15-20 (Reserved)

#### PART 3: APPLICABILITY OF HANDBOOKS

#### 21 General Changes and Additions

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

#### 22 Specific Information Regarding the CIH and GSH

The following table provides general information, changes, additions, deletions and/or modifications, and supplemental instructions regarding the applicability of the CIH and GSH to the Camelina APH program.

GSH and CIH References	Supplemental Instructions
GSH Part 8, Section 2, Para. 837	Price Percentage: 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 maximum contract price specified in the actuarial documents. If more than one processor contract is in effect, the price election will be the weighted average price of the base contract prices [see <a href="Exhibit 4">Exhibit 4</a> below].  Determining contracted pounds for acreage-based processor contracts: For acreage-only based processor contracts, and acreage and production-based
CIH Part 10	processor contracts which specify a maximum number of acres, the number of pounds considered to be under a processor contract is the maximum number of acres specified in the processor contract multiplied by the approved yield.  Section 1-2: Only basic and optional units are applicable.
CIH Part 12, Section 2, Para. 1215	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.
CIH Part 14, Section 3, Para. 1431	Camelina is added to the list of crops in Paragraph 1431.

## 22 Specific Information Regarding the CIH and GSH (Continued)

GSH and CIH	Supplemental Instructions			
References				
CIH Part 19	Additional Provisions for 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 AIPs:			
	Determine any over-planting factor that may be applicable.			
	(1) The over-planting factor is used to reduce the production guarantee (per acre) and production to count when you plant more than your maximum allowable acres of camelina.			
	(2) If applicable, the over-planting factor is determined by dividing the maximum allowable acres by the number of acres planted. For example, if the insured has 200.0 acres under contract and therefore 210 maximum allowable acres and then plants 220.0 insurable acres, the production guarantee will be reduced by a factor of 0.95.  Example: (200 contracted acres × 1.05) = 210 maximum allowable acres and (210.0 maximum allowable acres ÷ 220 planted acres) = 0.95 over-planting factor.			
	(3) Enter any over-planting factor in the remarks section of the acreage report.			

# 23 Written Agreement Handbook

Written Agreements are available in counties authorized in the Camelina Crop Provisions.

# 24-30 (Reserved)

# **EXHIBITS**

# Exhibit 1 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	
СР	Crop Provisions	
DSSH	Document and Supplemental Standards Handbook, FCIC-24040	
EU	Enterprise Unit	
FCIC	Federal Crop Insurance Corporation	
GSH	General Standards Handbook, FCIC-18190	
LAM	Loss Adjustment Manual, FCIC-25010	
LASH	Loss Adjustment Standards Handbook, FCIC-29340	
RMA	Risk Management Agency	

Terms in this handbook that are not defined can be found in Exhibit 2 of the GSH.

<u>Base contract price</u>: The price per pound stipulated in the processor contract (without regard to discounts or incentives) and that is used to determine your price election. When the contract states an amount that will be paid in dollars per acre it must be converted to dollars per pound by dividing the dollars per acre by the approved yield. If the processor contract provides a formula for determining the price (e.g., a premium amount over a Chicago Mercantile Exchange, futures market price), the resulting fixed price must be determined on or before the acreage reporting date to be considered a valid base contract price.

**<u>Camelina</u>**: Camelina sativa, a plant in the mustard family (Brassicaceae).

<u>Good farming practices</u>: In addition to the definition of "good farming practices" contained in Exhibit 2 of the GSH, good farming practices include any cultural practices required by the production contract.

<u>Harvest</u>: Combining or threshing for grain or seed. A crop that is swathed prior to combining is not considered harvested.

<u>Late planting period</u>: In lieu of the definition contained in the Basic Provisions, the period that begins the day after the final planting date for the insured crop and ends 15 days after the final planting date, unless otherwise specified in the Special Provisions.

<u>Maximum allowable acres</u>: The processor contracted acreage multiplied by 1.05. For example, if you have a processor contract for 200 acres, your maximum allowable acres are 210 ( $200 \times 1.05$ ).

<u>Minimum processor contract payment</u>: A minimum amount (often stated in dollars per acre) specified in your processor contract that will be paid or credited to you by the processor regardless of the quantity of camelina produced. This amount must be deducted from an indemnity payment if the processor makes the payment.

<u>Over-planting factor</u>: A factor, less than or equal to 1.00, that is used to adjust your production guarantee (per acre) and production to count when you plant more than your maximum allowable acres of camelina. This factor is determined by dividing the maximum allowable acres by the acres planted. For example, if you have 210 maximum allowable acres and you plant 220 insurable acres, your over-planting factor is 0.95 (210  $\div$  220).

<u>Planted acreage</u>: In addition to the definition contained in the Basic Provisions, land on which seed is initially spread onto the soil surface and subsequently is pressed with rollers to improve seed contact with the soil in a timely manner will be considered planted. Acreage planted in any manner other than specified in the Basic Provisions or in these Crop Provisions will not be insurable, unless allowed by the Special Provisions.

<u>Price election</u>: In lieu of the definition in the Basic Provisions, the price election will be the weighted average of each base contract price as stated in your processor contracts, multiplied by the percentage of price you elect. Each contract price is subject to the maximum contract price specified in the actuarial documents.

<u>Processor</u>: Any business enterprise regularly engaged in buying and processing camelina, that possesses all licenses and permits for processing camelina 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 contracted camelina within a reasonable amount of time after harvest.

#### **Exhibit 2** Definitions (Continued)

<u>Processor contract</u>: An agreement, in writing, between the producer and a processor, containing at a minimum: (a) The producer's commitment to plant and grow camelina and to deliver the production to the processor; (b)The processor's commitment to purchase all the production stated in the processor contract; and (c) A base contract price.

<u>Processor contracted acreage</u>: (a) For acreage-only based processor contracts, and acreage and production-based processor contracts which specify a maximum number of acres, the lesser of: (1) The maximum number of acres specified in the processor contract; or (2) The number of planted acres; or (b) For production-only based processor contracts, the lesser of: (1) The number of acres determined by dividing the amount of production stated in the processor contract by your approved yield; or (2) The number of planted acres.

<u>Production Guarantee (per acre)</u>: In lieu of the definition in the Basic Provisions, the result of multiplying the approved yield per acre by the coverage level percentage elected and by any applicable over-planting factor.

**Swathed**: Severance of the stem and seed pods from the ground and placing into windrows without removal of the seed pod.

**Type**: A category of camelina identified as a type in the Special Provisions.

**Windrow**: Camelina that is swathed and placed in a row.

#### **Exhibit 4** Price Election Percentage Example With 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: One contract is an acreage-based contract on 30 acres with a base contract price of \$0.16 per pound. The second contract is a production-based contract on 8,000 pounds of production with a base contract price of \$0.10 per pound. Your weighted average base contract price will be \$0.1463 per pound.

Contract	Contract Production Amount	
One	27,000 lbs. (30 acres × 900 lbs. Approved Yield)	\$0.16
Two	8,000 lbs.	\$0.10

The weighted average base contract price will be \$0.1463 per pound calculated as follows:

Contract	Production amount		Price	Contracted Value
One	27,000 lbs.	×	\$0.16	\$4,320
Two	8,000 lbs.	×	\$0.10	\$800
Totals	35,000 lbs.			\$5,120

Contracted Amount		Contracted Value		Contract Weighted Average Price
\$5,120	÷	35,000 lbs.	=	\$0.1463 per lb.