(ii) 100 percent share;

(iii) A feed barley approved yield of 55 bushels per acre;

(iv) A malting barley approved yield, based on contracted production and the number of acres planted to approved malting barley varieties of 52 bushels per acre;

(v) Selected the 75 percent coverage level; and

(vi) A malting barley contract for the sale of 10,000 bushels of malting barley at $2.60 per bushel;

(2) The projected price for feed barley is $1.92 per bushel;

(3) In accordance with section 3, the additional value price per bushel for production grown under the malting barley contract is $0.68 ($2.60 malting barley contract price minus $1.92 projected price); and

(4) The total production from the 200 acres of malting barley is 7,250 bushels, all of which fails to meet the quality standards specified in section 14(a) and in the malting barley contract:

(i) 4,750 bushels are sold for $2.31 per bushel; and

(ii) After conditioning at a cost of $0.05 per bushel, an additional 2,500 bushels are sold for $2.20 per bushel;

(b) In accordance with section 2, the amount of insurance protection is determined as follows:

(1) The lesser of 41.3 bushels per acre production guarantee (55 bushels × 75 percent coverage level) for feed barley or 37.5 bushels per acre (10,000 bushels contracted ÷ 200 acres = 50.0 bushels per acre and 50.0 × 75 percent coverage level = 37.5);

(2) 37.5 bushels per acre × 200 acres = 7,500 bushels total malting barley production guarantee; and

(3) 7,500 bushels × $0.68 additional value price = $5,100.00 total amount of insurance for the unit;

(c) In accordance with section 14, the total amount of production to count is determined as follows:

(1) Damaged production that is not reconditioned:

(i) $2.31 price per bushel − $1.92 projected price for feed barley = $0.39;

(ii) $0.39 ÷ $0.68 additional value price = 0.57; and

(iii) 0.57 × 4,750 bushels of damaged production sold at $2.31 = 2,708 bushels of production to count;

(2) Damaged production that is reconditioned:

(i) $2.20 price per bushel − $1.92 projected price for feed barley = $0.28;

(ii) $0.28 − $0.05 reconditioning cost = $0.23;

(iii) $0.23 ÷ $0.68 additional value price = 0.34; and

(iv) 0.34 × 2,500 bushels of damaged production sold at $2.20 = 850 bushels of production to count; and

(3) Total production to count is 3,558 bushels (2,708 + 850);

(d) The value of production to count is $2,419.00 (3,558 bushels × $0.68 additional value price); and

(e) The indemnity amount is $2,681.00 ($5,100.00 total amount of insurance protection for the unit − $2,419.00 value of production to count).

[75 FR 15883, Mar. 30, 2010]

§ 457.119 Texas citrus fruit crop insurance provisions.

The Texas citrus fruit crop insurance provisions for the 2018 and succeeding crop years are as follows:

UNITED STATES DEPARTMENT OF AGRICULTURE

Federal Crop Insurance Corporation

Texas Citrus Fruit Crop Provisions

1. Definitions

Citrus fruit commodity. Includes the following:

(a) Oranges;

(b) Grapefruit; and

(c) Any other citrus fruit designated as a ''citrus fruit commodity'' in the actuarial documents.

Citrus fruit group. A designation in the Special Provisions used to identify combinations of citrus fruit commodity types and intended uses within a citrus fruit commodity that may be grouped together for the purposes of electing coverage levels and identifying the insured crop.

Commodity type. A specific subcategory of a citrus fruit commodity having a characteristic or set of characteristics distinguishable from other subcategories of the same citrus fruit commodity.

Crop year. The period beginning with the date insurance attaches to the insured crop and extending through the normal harvest time. It is designated by the calendar year following the year in which the bloom is normally set.

Direct marketing. Sale of the insured crop directly to consumers without the intervention of an intermediary such as a wholesaler, retailer, packer, processor, shipper, or buyer. Examples of direct marketing include selling through an on-farm or roadside stand, farmer's market, and permitting the general public to enter the field for the purpose of picking all or a portion of the insured crop.

Excess rain. An amount of precipitation that damages the insured crop.

Excess wind. A natural movement of air that has sustained speeds exceeding 58 miles per hour (50 knots) recorded at the weather reporting station (U.S. National Weather Service reporting station or any other weather reporting station identified in the

Special Provisions) operating nearest to the insured acreage at the time of damage.

Freeze. The formation of ice in the cells of the tree, its blossoms, or its fruit caused by low air temperatures.

Harvest. The severance of mature citrus fruit from the tree by pulling, picking, or any other means, or by collecting marketable fruit from the ground.

Hedged. A process of trimming the sides of the citrus trees for better or more fruitful growth of the citrus fruit.

Intended use. The insured's expected end use or disposition of the commodity at the time the commodity is reported. Insurable intended uses will be specified in the Special Provisions.

Interplanted. In lieu of the definition contained in section 1 of the Basic Provisions, acreage on which two or more agricultural commodities are planted in any form of alternating or mixed pattern and at least one of these agricultural commodities constitutes an insured crop under these Crop Provisions.

Production guarantee (per acre). In lieu of the definition contained in section 1 of the Basic Provisions, the production guarantee will be determined by stage as follows:

(a) First stage production guarantee—The second stage production guarantee multiplied by forty percent (40%).

(b) Second stage production guarantee. The quantity of citrus (in tons) determined by multiplying the yield determined in accordance with section 3(e) of these Crop Provisions by the coverage level percentage you elect.

Ton. Two thousand (2,000) pounds avoirdupois.

Topped. A process of trimming the uppermost portion of the citrus trees for better and more fruitful growth of the citrus fruit.

2. Unit Division

(a) Basic units will be established for each insured crop (citrus fruit group) in accordance with section 1 of the Basic Provisions.

(b) Provisions in the Basic Provisions that allow optional units by irrigated and non-irrigated practices are not applicable.

(c) Optional units may be established by either of the following, but not both:

(1) In accordance with section 34(c) of the Basic Provisions, except as provided in section 2(b) of these Crop Provisions; or

(2) If each optional unit is located on noncontiguous land.

3. Insurance Guarantees, Coverage Levels, and Prices for Determining Indemnities

In addition to the requirements of section 3 of the Basic Provisions (§ 457.8):

(a) You may select only one price election and coverage level for each insured crop (citrus fruit group designated in the Special Provisions) that you elect to insure.

(1) The price election you choose for each insured crop (citrus fruit group) need not bear the same percentage relationship to the maximum price offered by us for each insured crop (citrus fruit group). For example, if you choose one hundred percent (100%) of the maximum price election for one insured crop (citrus fruit group) (*e.g.,* the citrus fruit group for early and midseason oranges), you may choose seventy-five percent (75%) of the maximum price election for another insured crop (citrus fruit group) (*e.g.,* the citrus fruit group for late oranges).

(2) If separate price elections are available by commodity type or intended use within an insured crop (citrus fruit group), the price elections you choose within the insured crop (citrus fruit group) must have the same percentage relationship to the maximum price offered by us for each other commodity type or intended use within the insured crop (citrus fruit group). For example, if separate price elections are available for commodity type ruby red grapefruit with an intended use of fresh, and commodity type ruby red grapefruit with an intended use of juice, and you choose one hundred percent (100%) of the price election for commodity type ruby red grapefruit with an intended use of fresh, you must also choose one hundred percent (100%) of the price election for commodity type ruby red grapefruit with an intended use of juice.

(b) The production guarantee per acre is progressive by stage and increases from the first stage production guarantee to the second stage production guarantee. The stages are as follows:

(1) The first stage extends from the date insurance attaches through April 30 of the calendar year of normal bloom.

(2) The second stage extends from May 1 of the calendar year of normal bloom until the end of the insurance period.

(c) Any acreage of citrus damaged in the first stage to the extent that the majority of producers in the area would not further maintain it will be limited to the first stage production guarantee even though you may continue to maintain it.

(d) In addition to the reported production, each crop year you must report by commodity type and intended use:

(1) The number of trees damaged, topped, hedged, pruned or removed; any change in practices or any other circumstance that may reduce the expected yield below the yield upon which the insurance guarantee is based; and the number of affected acres;

(2) The number of bearing trees on insurable and uninsurable acreage;

(3) The age of the trees and the planting pattern; and

(4) For the first year of insurance for acreage interplanted with another agricultural

commodity and any time the planting pattern of such acreage is changed:

(i) The age of the interplanted agricultural commodity and commodity type, if applicable;

(ii) The planting pattern; and

(iii) Any other information that we request in order to establish your approved yield.

(e) We will reduce the yield used to establish your production guarantee, as necessary, based on our estimate of the effect of any circumstance that may reduce your yields from previous levels. Examples of these circumstances that may reduce yield may include, but are not limited to: Interplanted agricultural commodities; removal, topping, hedging, or pruning of trees; damage; and change in practices. If the circumstance occurred:

(1) Before the beginning of the insurance period and you notify us by the production reporting date, the yield used to establish your production guarantee will be reduced for the current crop year regardless of whether the circumstance was due to an insured or uninsured cause of loss;

(2) After the beginning of the insurance period and you notify us by the production reporting date, the yield used to establish your production guarantee will be reduced for the current crop year only if the potential reduction in the yield used to establish your production guarantee is due to an uninsured cause of loss; or

(3) Before or after the beginning of the insurance period and you fail to notify us by the production reporting date, an amount equal to the reduction in the yield will be added to the production to count calculated in section 12(c) of these Crop Provisions due to uninsured causes. We will reduce the yield used to establish your production guarantee for the subsequent crop year to reflect any reduction in the productive capacity of the trees or in the yield potential of the insured acreage.

(f) The yield used to compute your production guarantee will be determined in accordance with Actual Production History (APH) regulations, 7 CFR part 400, subpart G, and applicable policy provisions.

(g) In lieu of the provisions in section 3 of the Basic Provisions that require reporting your production for the previous crop year, for each crop year you must report your production from two crop years ago (*e.g.*, on the 2018 crop year production report, you will provide your 2016 crop year production).

4. Contract Changes

In accordance with section 4 of the Basic Provisions (§ 457.8), the contract change date is August 31 preceding the cancellation date.

5. Cancellation and Termination Dates

In accordance with section 2 of the Basic Provisions (§ 457.8), the cancellation and termination dates are November 20.

6. Annual Premium

In lieu of the premium computation method in section 7 of the Basic Provisions (§ 457.8), the annual premium amount is computed by multiplying the second stage production guarantee per acre by the price election, the premium rate, the insured acreage, your share at the time coverage begins, and by any applicable premium adjustment percentages contained in the Special Provisions.

7. Insured Crop

(a) In accordance with section 8 of the Basic Provisions, the insured crop will be each citrus fruit group you elect to insure and for which a premium rate is provided by the actuarial documents:

(1) In which you have a share;

(2) That is grown on trees adapted to the area;

(3) That is irrigated;

(4) That has produced an average yield of at least three tons per acre the crop year from two years prior reported in accordance with section 3(g), or we have appraised the yield potential of at least three tons per acre;

(5) That is grown in a grove that, if inspected, is considered acceptable by us; and

(6) That is not sold by direct marketing, unless allowed by the Special Provisions or by written agreement.

(b) For each insured crop (citrus fruit group), administrative fees will be assessed in accordance with section 6 of the Catastrophic Risk Protection Endorsement and section 7 of the Basic Provisions.

8. Insurable Acreage

In lieu of the provisions in section 9 of the Basic Provisions that prohibit insurance attaching to an insured crop interplanted with another agricultural commodity, interplanted acreage is uninsurable, except a citrus fruit group interplanted with another perennial agricultural commodity is insurable unless we inspect the acreage and determine it does not meet the requirements contained in your policy.

9. Insurance Period

(a) In accordance with the provisions of section 11 of the Basic Provisions (§ 457.8):

(1) Coverage begins on November 21 of each crop year, except that for the year of application, if your application is received after November 11 but prior to November 21, insurance will attach on the 10th day after your properly completed application is received in

our local office, unless we inspect the acreage during the 10-day period that begins when the application is received by us and determine that it does not meet insurability requirements. You must provide any information that we require for the insured crop (citrus fruit group) or to determine the condition of the grove.

(2) The calendar date for the end of the insurance period for each crop year is the second May 31st of the crop year.

(b) In addition to the provisions of section 11 of the Basic Provisions (§ 457.8):

(1) If you acquire an insurable share in any insurable acreage after coverage begins, but on or before the acreage reporting date for the crop year, and after an inspection we consider the acreage acceptable, insurance will be considered to have attached to such acreage on the calendar date for the beginning of the insurance period.

(2) If you relinquish your insurable share on any insurable acreage of citrus on or before the acreage reporting date for the crop year, insurance will not be considered to have attached to, and no premium will be due, and no indemnity paid for such acreage for that crop year unless:

(i) A transfer of coverage and right to an indemnity, or a similar form approved by us, is completed by all affected parties;

(ii) We are notified by you or the transferee in writing of such transfer on or before the acreage reporting date; and

(iii) The transferee is eligible for crop insurance.

10. Causes of Loss

(a) In accordance with the provisions of section 12 of the Basic Provisions (§ 457.8), insurance is provided only against the following causes of loss that occur within the insurance period:

(1) Excess rain;

(2) Excess wind;

(3) Fire, unless weeds and other forms of undergrowth have not been controlled or pruning debris has not been removed from the grove;

(4) Freeze;

(5) Hail;

(6) Tornado;

(7) Wildlife;

(8) Failure of the irrigation water supply if caused by an insured peril or drought that occurs during the insurance period; or

(9) Insects and plant disease, unless excluded or otherwise restricted through the Special Provisions, provided the loss of production is not due to damage resulting from insufficient or improper application of control measures as recommended by agricultural experts.

(b) In addition to the causes of loss excluded in section 12 of the Basic Provisions, we will not insure against damage or loss of production due to the inability to market the citrus for any reason other than actual physical damage from an insurable cause of loss specified in this section. For example, we will not pay you an indemnity if you are unable to market due to quarantine, boycott, or refusal of any person to accept production.

11. Duties in the Event of Damage or Loss

(a) In accordance with the requirements of section 14 of the Basic Provisions, you must leave representative samples. In lieu of the requirements of section 14(c)(3) of the Basic Provisions, we will determine which trees must remain unharvested so that we may inspect them in accordance with FCIC procedures.

(b) In addition to the requirements of section 14 of the Basic Provisions (§ 457.8), the following will apply:

(1) If the Special Provisions permit or a written agreement authorizing direct marketing exists, you must notify us at least 15 days before any production from any unit will be sold by direct marketing. We will conduct an appraisal that will be used to determine your production to count for production that is sold by direct marketing. If damage occurs after this appraisal, we will conduct an additional appraisal. These appraisals, and any acceptable records provided by you, will be used to determine your production to count. Failure to give timely notice that production will be sold by direct marketing will result in an appraised amount of production to count of not less than the production guarantee per acre if such failure results in our inability to make the required appraisal.

(2) If you intend to claim an indemnity on any unit, you must notify us at least 15 days prior to the beginning of harvest, or within 24 hours if damage is discovered during harvest, so we may have an opportunity to inspect the unit. You must not sell or dispose of the damaged crop until after we have given you written consent to do so. If you fail to meet the requirements of this section, all such production will be considered undamaged and included as production to count.

12. Settlement of Claim

(a) We will determine your loss on a unit basis. In the event you are unable to provide acceptable production records:

(1) For any optional unit, we will combine all optional units for which such 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 a unit basis by:

(1) Multiplying the insured acreage for each combination of commodity type and intended use by its respective production guarantee;

(2) Multiplying the results of section 12(b)(1) by the respective price election for each combination of commodity type and intended use;

(3) Totaling the results of section 12(b)(2);

(4) Multiplying the total production to count of each combination of commodity type and intended use (see section 12(c)) by the respective price election;

(5) Totaling the results of section 12(b)(4);

(6) Subtracting this result of section 12(b)(5) from the result of section 12(b)(3); and

(7) Multiplying the result of section 12(b)(6) by your share.

(c) The total production to count (in tons) from all insurable acreage on the unit will include:

(1) All appraised production as follows:

(i) Not less than the production guarantee per acre for acreage:

(A) That is abandoned;

(B) For which you fail to provide acceptable production records;

(C) That is damaged solely by uninsured causes; or

(D) From which production is sold by direct marketing, if direct marketing is specifically permitted by the Special Provisions or a written agreement, and you fail to meet the requirements contained in section 11;

(ii) Production lost due to uninsured causes;

(iii) Unharvested production; and

(iv) Potential production on insured acreage you intend to abandon or no longer care for, if you and we agree on the appraised amount of production. Upon such agreement, the insurance period for that acreage will end. If you do not agree with our appraisal, we may defer the claim only if you agree to continue to care for the insured crop. We will then make another appraisal when you notify us of further damage or that harvest is general in the area unless you harvested the insured crop, in which case we will use the harvested production. If you do not continue to care for the insured crop, our appraisal made prior to deferring the claim will be used to determine the production to count; and

(2) All harvested production from the insurable acreage.

(d) Any citrus fruit insured with an intended use of juice that is not marketed as fresh fruit and, due to insurable causes, does not contain 120 or more gallons of juice per ton, will be adjusted by:

(1) Dividing the gallons of juice per ton obtained from the damaged citrus by 120; and

(2) Multiplying the result by the number of tons of such citrus.

If individual records of juice content are not available, an average juice content from the nearest juice plant will be used, if available. If not available, a field appraisal will be made to determine the average juice content.

(e) Any citrus fruit insured with an intended use of fresh that is not marketable as fresh fruit due to insurable causes will be adjusted by multiplying the number of tons of such citrus fruit by the applicable Fresh Fruit Factor contained in the Special Provisions.

(f) Any production will be considered marketed or marketable as fresh fruit unless, due solely to insured causes, such production was not marketed as fresh fruit.

(g) In the absence of acceptable records of disposition of harvested citrus fruit, the disposition and amount of production to count for the unit will be the guarantee on the unit.

(h) Any citrus fruit on the ground that is not harvested will be considered totally lost if damaged by an insured cause.

13. Late and Prevented Planting

The late and prevented planting provisions of the Basic Provisions are not applicable.

[61 FR 41300, Aug. 8, 1996; 61 FR 57583, Nov. 7, 1996, as amended at 62 FR 65169, Dec. 10, 1997; 81 FR 38065, June 13, 2016; 81 FR 52590, June 10, 2016]

§ 457.120 [Reserved]

§ 457.121 Arizona-California citrus crop insurance provisions.

The Arizona-California citrus crop insurance provisions for the 2015 and succeeding crop years are as follows:

UNITED STATES DEPARTMENT OF AGRICULTURE

Federal Crop Insurance Corporation

Arizona-California Citrus Crop Provisions

1. Definitions

Carton. The standard container for marketing the fresh packed citrus fruit commodity, as shown below, unless otherwise provided in the Special Provisions. In the absence of marketing records on a carton basis, production will be converted to cartons on the basis of the following average net pounds of packed fruit in a standard packed carton, unless otherwise provided in the Special Provisions.