

CROP REVENUE COVERAGE
Mandatory Endorsement
COMMODITY EXCHANGE ENDORSEMENT - WHEAT
(This is a Continuous Endorsement)

If a conflict exists among the Crop Revenue Coverage Basic Provisions, the Wheat Crop Provisions, and this Commodity Exchange Endorsement, this Commodity Exchange Endorsement will control the Wheat Crop Provisions, and Crop Revenue Coverage Basic Provisions; and the Wheat Crop Provisions will control the Crop Revenue Coverage Basic Provisions.

How this endorsement affects your coverage:

- (A) This endorsement is attached to and made a part of your Crop Revenue Coverage (CRC) Wheat Crop Provisions subject to the terms and conditions described herein. In accordance with section 8 (Insured Crop) of the Crop Revenue Coverage Basic Provisions, the crop insured will be wheat you elect to insure, that is grown in the county on insurable acreage, and for which premium rates are provided by the County Actuarial Table.
- (B) This endorsement specifies how, where, and when commodity prices for your CRC wheat policy are determined as follows:

CRC - Wheat Prices

CRC uses four different exchanges to value wheat based upon type and geographical area. The exchange group includes the Chicago Board of Trade (CBOT), Kansas City Board of Trade (KCBOT), Minneapolis Grain Exchange (MGE), and Portland Grain Exchange (PGE). The use of these exchanges to determine the Base Price and Harvest Price for each wheat type and geographical area is explained below.

Winter Wheat - (Insured as winter wheat), (CBOT)

Alabama, Georgia, Illinois, Indiana, Kentucky, Louisiana, Michigan, Mississippi, North Carolina, Ohio, South Carolina, Tennessee, Virginia, and Wisconsin

Winter Wheat - (Insured as winter wheat), (KCBOT)

Arizona, Arkansas, Colorado, Iowa, Kansas, Missouri, Montana, Nebraska, New Mexico, Oklahoma, South Dakota, Texas, and Wyoming

Spring Wheat - (Insured as spring wheat), (MGE)

Colorado, Iowa, Minnesota, Montana, North Dakota, South Dakota, Wisconsin, and Wyoming

Wheat (PGE)

California, Idaho, Oregon, Utah, and Washington

- (C) This endorsement defines the terms in sections 1.(b), 1.(c) and 1.(j) of the Crop Revenue Coverage Wheat Crop Provisions, in accordance with the classification system in section (B) above, as follows:

Winter Wheat, (CBOT)

- 1.(b) **Average Daily Settlement Price (CBOT)** - the average derived by totaling the Chicago Board of Trade (CBOT) commodity futures daily final closing settlement price, as reported by the Chicago Board of Trade, for such crop for at least the last fifteen (15) full active trading days of the month used to determine the Base and Harvest Prices in sections 1.(c) and 1.(j) respectively and dividing this total by the number of full active

trading days used to calculate the total during the month. A full active trading day is any trading day on the Chicago Board of Trade commodity futures market during which there are more than fifty (50) open interest futures contracts for such crop. In the event that some or all of the Chicago Board of Trade commodity futures daily final closing settlement prices as specified in section 1.(c) are not available, so that for purposes of determining the average daily settlement price there are fourteen (14) or less Chicago Board of Trade commodity futures daily final closing settlement prices, the average daily settlement price shall be calculated using additional Chicago Board of Trade commodity futures daily final closing settlement prices from the trading month prior to that specified in section 1.(c), until the number of Chicago Board of Trade commodity futures daily final closing settlement prices equals fifteen (15). A full active trading day is any trading day on the Chicago Board of Trade commodity futures market during which there are more than fifty (50) open interest futures contracts for such crop.

- 1.(c) **Base Price (CBOT)** - Ninety-five percent (95%) of the August Average Daily Settlement Price for wheat of the pre-harvest year, to be delivered during the month of July of the harvest year. The Base Price will be set by September 10th of the year prior to harvest.
- 1.(j) **Harvest Price (CBOT)** - Ninety-five percent (95%) of the June Average Daily Settlement Price for wheat to be delivered during the month of July, of the harvest year, not to be less than the Base Price minus two dollars (\$2.00), or greater than the Base Price plus two dollars (\$2.00). The Harvest Price will be set by July 10th of the year of harvest.

Winter Wheat, (KCBOT)

- 1.(b) **Average Daily Settlement Price (KCBOT)** - the average derived by totaling the Kansas City Board of Trade (KCBOT) commodity futures daily final closing settlement price, as reported by the Kansas City Board of Trade, for such crop for at least the last fifteen (15) full active trading days of the month used to determine the Base and Harvest Prices in sections 1.(c) and 1.(j) respectively and dividing this total by the number of full active trading days used to calculate the total during the month. A full active trading day is any trading day on the Kansas City Board of Trade commodity futures market during which there are more than fifty (50) open interest futures contracts for such crop. In the event that some or all of the Kansas City Board of Trade commodity futures daily final closing settlement prices as specified in section 1.(c) are not available, so that for purposes of determining the average daily settlement price there are fourteen (14) or less Kansas City Board of Trade commodity futures daily final closing settlement prices, the average daily settlement price shall be calculated using additional Kansas City Board of Trade commodity futures daily final closing settlement prices from the trading month prior to that specified in section 1.(c), until the number of Kansas City Board of Trade commodity futures daily final closing settlement prices equals fifteen (15). A full active trading day is any trading day on the Kansas City Board of Trade commodity futures market during which there are more than fifty (50) open interest futures contracts for such crop.
- 1.(c) **Base Price (KCBOT)** - Ninety-five percent (95%) of the August Average Daily Settlement Price for wheat of the pre-harvest year, to be delivered during the month of July of the harvest year. The Base Price will be set by September 10th of the year prior to harvest.
- 1.(j) **Harvest Price (KCBOT)** - Ninety-five percent (95%) of the June Average Daily Settlement Price for wheat to be delivered during the month of July, of the harvest year, not to be less than the Base Price minus two dollars (\$2.00), or greater than the Base Price plus two dollars (\$2.00). The Harvest Price will be set by July 10th of the year of harvest.

Spring Wheat, (MGE)

- 1.(b) **Average Daily Settlement Price (MGE)** - the average derived by totaling the Minneapolis Grain Exchange (MGE) commodity futures daily final closing settlement price, as reported by the Minneapolis Grain Exchange, for such crop for at least the last fifteen (15) full active trading days of the month used to determine the Base and Harvest Prices in sections 1.(c) and 1.(j) respectively and dividing this total by the number of full active trading days used to calculate the total during the month. A full active trading day is any trading day on the Minneapolis Grain Exchange commodity futures market during which there are more than fifty (50) open interest futures contracts for such crop. In the event that some or all of the Minneapolis Grain Exchange

commodity futures daily final closing settlement prices as specified in section 1.(c) are not available, so that for purposes of determining the average daily settlement price there are fourteen (14) or less Minneapolis Grain Exchange commodity futures daily final closing settlement prices, the average daily settlement price shall be calculated using additional Minneapolis Grain Exchange commodity futures daily final closing settlement prices from the trading month prior to that specified in section 1.(c), until the number of Minneapolis Grain Exchange commodity futures daily final closing settlement prices equals fifteen (15). A full active trading day is any trading day on the Minneapolis Grain Exchange commodity futures market during which there are more than fifty (50) open interest futures contracts for such crop.

- 1.(c) **Base Price (MGE)** - Ninety-five percent (95%) of the February Average Daily Settlement Price for wheat to be delivered during the month of September, of the harvest year. The Base Price will be set by March 10th of the year of harvest.
- 1.(j) **Harvest Price (MGE)** - Ninety-five percent (95%) of the August Average Daily Settlement Price for wheat to be delivered during the month of September, of the harvest year, not to be less than the Base Price minus two dollars (\$2.00), or greater than the Base Price plus two dollars (\$2.00). The Harvest Price will be set by September 10th of the year of harvest.

Wheat (PGE)

- 1.(b) **Average Daily Settlement Price -For purposes of the Portland Grain Exchange the Average Daily Settlement Price will be calculated separately as set forth below:**

Average Daily Settlement Price - Base Price (PGE) - the average derived by totaling the specified recorded prices for such crop for at least the last fifteen (15) full active trading days of the month as specified herein and dividing this total by the number of days used to calculate the total during the month. The specified recorded prices are those prices determined pursuant to this section and sections 1.(c). The average daily settlement price is derived by using the Chicago Board of Trade (CBOT) commodity futures daily final closing settlement prices for wheat, as reported by the Chicago Board of Trade, for the months specified in section 1.(c) Base Price and adding to that value the CBOT- Portland Grain Exchange(PGE) Basis Adjustment. The CBOT-PGE Basis Adjustment is the most recent five (5) year average CBOT-PGE Basis. The five (5) year CBOT-PGE Basis is calculated by totaling the each the CBOT-PGE Basis values for the most recent 5 years and dividing that total by five (5). The CBOT-PGE Basis is the difference between, the August Average Daily Settlement Price of the Chicago Board of Trade for wheat of the pre-harvest year, to be delivered during the month of September of the pre-harvest year, and the August Average Daily Settlement Price of the bids for soft white wheat to be delivered to Portland, Oregon as determined by the USDA Grain Market News Service of Portland, Oregon and as reported by the Portland Grain Exchange of the pre-harvest year. In the event that some or all of the Chicago Board of Trade commodity futures daily final closing settlement prices as specified in section 1.(c) are not available, so that for purposes of determining the average daily settlement price there are fourteen (14) or less Chicago Board of Trade commodity futures daily final closing settlement prices, the average daily settlement price shall be calculated using additional Chicago Board of Trade commodity futures daily final closing settlement prices from the trading month prior to that specified in section 1.(c), until the number of Chicago Board of Trade commodity futures daily final closing settlement prices equals fifteen (15). A full active trading day is any trading day on the Chicago Board of Trade commodity futures market during which there are more than fifty (50) open interest futures contracts for such crop. A price reporting day is any normal weekday that price bids for soft white Wheat are reported by the Portland Grain Exchange.

Average Daily Settlement Price - Harvest Price (PGE) - the average derived by totaling the specified recorded prices for such crop for at least the last fifteen (15) full active trading days of the month as specified herein and dividing this total by the number of days used to calculate the total during the month. The specified recorded prices are those prices determined pursuant to this section and sections 1.(j). The average daily settlement price is derived by using the bids for soft white wheat delivered to Portland, Oregon as determined by the USDA Grain Market News Service of Portland, Oregon and as reported by the Portland Grain Exchange (PGE), for the month specified in section 1.(j) Harvest Price. In the event that price reporting by the Portland Grain Exchange for soft white wheat is suspended or terminated so that for purposes of determining the average daily settlement price there are fourteen (14) or less price reporting days from the Portland Grain Exchange, the average daily settlement price shall be the August average daily settlement

price of the Chicago Board of Trade (CBOT) for wheat during the harvest year, to be delivered to Chicago during the month of September of the harvest year, plus the CBOT-PGE Basis Adjustment determined at the inception of this contract.

- 1.(c) **Base Price (PGE)** - Ninety-five percent (95%) of the August Average Daily Settlement Price for wheat of the pre-harvest year, to be delivered during the month of September of the harvest year. The Base Price will be set by September 10th of the year prior to harvest.
- 1.(j) **Harvest Price (PGE)** - Ninety-five percent (95%) of the August Average Daily Settlement Price for wheat of the harvest year, not to be less than the Base Price minus two dollars (\$2.00), or greater than the Base Price plus two dollars (\$2.00). The Harvest Price will be set by September 10th of the year of harvest.

All other terms and conditions of the Policy remain unchanged.

CROP REVENUE COVERAGE INSURANCE POLICY

Wheat Crop Provisions

This is a risk management program. This risk management tool may be reinsured under the authority provided by section 508(h) of the Federal Crop Insurance Act. If a conflict exists among the Crop Revenue Coverage Basic Provisions (Basic Provisions), these Wheat Crop Provisions, and the Special Provisions, the Special Provisions will control these Wheat Crop Provisions and the Basic Provisions and these Wheat Crop Provisions will control the Basic Provisions.

1. Definitions

- (a) **Adequate Stand** - A population of live plants per unit of acreage which will produce at least the yield used to establish your Final Guarantee.
- (b) **Average Daily Settlement Price** - Refer to the definition contained in the Commodity Exchange Endorsement - Wheat.
- (c) **Base Price** - Refer to the definition contained in the Commodity Exchange Endorsement - Wheat.
- (d) **Calculated Revenue** - The production to count multiplied by the Harvest Price.
- (e) **Days** - Calendar days.
- (f) **Final Guarantee** - The number of dollars guaranteed per acre determined to be the higher of the Minimum Guarantee or the Harvest Guarantee, where:
 - (1) Minimum Guarantee - The Approved Yield per acre multiplied by the Base Price multiplied by the coverage level percentage you elect.
 - (2) Harvest Guarantee - The Approved Yield per acre multiplied by the Harvest Price, multiplied by the coverage level percentage you elect.
- (g) **Final planting date** - The date contained in the Special Provisions for the insured crop by which the crop must initially be planted in order to be insured for the full Final Guarantee.
- (h) **Good farming practices** - Good farming practices are the cultural practices generally in use in the county for the insured crop to make normal progress toward maturity and produce at least the yield used to determine the Final Guarantee and are those recognized by the Cooperative State Research, Education, and Extension Service as compatible with agronomic and weather conditions in the area.
- (i) **Harvest** - Combining or threshing the insured crop for grain or cutting for hay or silage on any acreage. A crop which is swathed prior to combining is not considered harvested.
- (j) **Harvest Price** - Refer to the definition contained in the Commodity Exchange Endorsement - Wheat.
- (k) **Initially planted** - The first occurrence of planting the insured crop on insurable acreage for the crop year.
- (l) **Interplanted** - Acreage on which two or more crops are planted in a manner that does not permit separate agronomic maintenance or harvest of the insured crop.
- (m) **Irrigated practice** - A method of producing a crop by which water is artificially applied during the growing season by appropriate systems, and at the proper times, with the intention of providing the quantity of water needed to produce at least the yield used to establish the Final Guarantee on the irrigated acreage planted to the insured crop.
- (n) **Late planted** - Acreage planted to the insured crop during the late planting period.
- (o) **Late planting period** - (not applicable for fall-planted wheat) - The period that begins the day after the final planting date for the insured crop and ends 25 days after the final planting date.
- (p) **Latest final planting date** -
 - (1) The final planting date for spring-planted acreage in all counties for which the Special Provisions designate a final planting date for spring-planted acreage only;
 - (2) The final planting date for fall-planted acreage in all counties for which the Special Provisions designate a final planting date for fall-planted acreage only; or
 - (3) The final planting date for spring-planted acreage in all counties for which the Special Provisions designate final planting dates for both spring-planted and fall-planted acreage.
- (q) **Local market price** - The cash grain price per bushel for the U.S. No. 2 grade of the insured crop offered by buyers in the area in which you normally market the insured crop. The local market price will reflect the maximum limits of quality deficiencies allowable for the U.S. No. 2 grade of the insured crop. Factors not associated with grading under the Official United States Standards for Grain, including but not limited to protein, oil or moisture content, or milling quality will not be considered.
- (r) **Nurse crop (companion crop)** - A crop planted into the same acreage as another crop, that is intended to be harvested separately, and which is planted to improve growing conditions for the crop with which it is grown.
- (s) **Planted acreage** - Land in which seed has been placed by a machine appropriate for the insured crop and planting method, at the correct depth, into a seedbed which has been properly prepared for the planting method and production practice. Land on which seed is initially spread onto the soil surface by any method and subsequently is mechanically incorporated into the soil in a timely

manner and at the proper depth will be considered planted.

- (t) **Practical to replant** - In lieu of the definition of "practical to replant" in the Basic Provisions, our determination, after loss or damage to the insured crop, based on factors, including but not limited to moisture availability, condition of the field, time to crop maturity, etc., that a replanting of the insured crop will attain maturity in the remainder of the crop year. It will not be considered practical to replant after the end of the late planting period or the final planting date if a late planting period is not applicable except that it may be determined practical to replant after the end of the late planting period or the final planting date if such practice is generally occurring in the area (see section 7).
- (u) **Prevented planting** - Inability to plant the insured crop with proper equipment by the latest final planting date designated in the Special Provisions for the insured crop in the county or the end of the late planting period if applicable. You must have been unable to plant the insured crop due to an insured cause of loss that has prevented the majority of producers in the surrounding area from planting the same crop.
- (v) **Prevented planting guarantee** - The Prevented Planting Guarantee for such acreage will be that percentage of the Final Guarantee for timely planted acres as set forth in section 12(d).
- (w) **Replanting** - Performing the cultural practices necessary to replace the seed of the same insured crop, and replacing the seed for the same crop in the insured acreage with the expectation of growing a successful crop.
- (x) **Swathed** - Severance of the stem and grain head from the ground without removal of the seed from the head and placing into a windrow.
- (y) **Timely planted** - Planted on or before the final planting date designated in the Special Provisions for the insured crop in the county.
- (z) **Wheat** – Wheat for grain only.

2. Unit Division

Unless limited by the Special Provisions, a unit as defined in section 1(xx) of the Basic Provisions, may be divided into optional units if, for each optional unit you claim, all the conditions of this section are met, or if we agree to such division in writing. Optional units must be established at the time you file your report of acreage for each crop year.

- (a) You must have verifiable records of planted acreage and production for each optional unit for at least the last crop year used to determine your Final Guarantee.
- (b) You must plant the crop in a manner which results in a clear and discernable break in the planting pattern at the boundaries of each optional unit.
- (c) You must have measurements of stored production or records of marketed production from each optional unit in a manner that permits us to verify the production from the optional unit.

- (d) Each optional unit must meet one or more of the following:

- (1) **Optional Units by Section, Section Equivalent, or FSA Farm Serial Number:**

Optional units may be established if each optional unit is located in a separate section. In the absence of sections, we may consider parcels of land legally identified by other methods of measure including, but not limited to: Spanish grants, railroad surveys, leagues, labors, or Virginia Military Lands. In areas which have not been surveyed using the systems identified above or another system approved by us, and in areas where boundaries are not readily discernable, each optional unit must be located in a separate FSA Farm Serial Number.

- (2) **Optional Units on Acreage Including Both Irrigated and Non-Irrigated Practices:**

In addition to or instead of establishing optional units by section, section equivalent, or FSA Farm Serial Number, optional units may be established if each optional unit contains only irrigated acreage or only non-irrigated acreage. The irrigated acreage may not extend beyond the point at which your irrigation system can deliver the quantity of water needed to produce the yield on which your Final Guarantee is based. You must plant, cultivate, fertilize, or otherwise care for the irrigated acreage and the non-irrigated acreage in an appropriate manner.

- (3) **Optional Units by Initially Planted Winter Wheat or Initially Planted Spring Wheat:**

In addition to or instead of establishing optional units by section, section equivalent, or FSA Farm Serial Number as described in section 2(d)(1) or by irrigated and non-irrigated practices as described in section 2(d)(2), optional units may be established if each optional unit contains only initially planted winter wheat or only initially planted spring wheat. Optional units may be established in this manner only in counties having both fall and spring final planting dates as designated by the Special Provisions.

- (e) Basic units may not be divided into optional units on any basis (production practice, type, variety, planting period, etc.) other than as described under this section. If you do not comply fully with these conditions, we will combine all optional units which are not established in compliance with these provisions into the basic unit from which they were formed. We may do this at any time we discover that you have failed to comply with these conditions. If failure to comply with these provisions is determined to be inadvertent,

and if the optional units are combined, the premium paid for electing optional units will be refunded to you.

3. Coverage Level

In addition to the requirements of section 3 (Coverage Level) of the Basic Provisions, all the insurable wheat in the county insured as grain under this policy will have the same coverage level election.

4. Contract Changes

In accordance with section 4 (Contract changes) in the Basic Provisions, the contract change date is December 31 preceding the cancellation date for counties with an March 15 cancellation date and June 30 preceding the cancellation date for all other counties.

5. Cancellation and Termination Dates

The cancellation and termination dates are:

<u>Crop, State and County</u>	<u>Cancellation Date</u>	<u>Termination Date</u>
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WHEAT All Colorado counties except Alamosa, Archuleta, Conejos, Costilla, Custer, Delta, Dolores, Eagle, Garfield, Grand, La Plata, Mesa, Moffat, Montezuma, Montrose, Ouray, Pitkin, Rio Blanco, Rio Grande, Routt, Saguache, and San Miguel Counties; all Iowa Counties except Plymouth, Cherokee, Buena Vista, Pocahontas, Humbolt, Wright, Franklin, Butler, Black Hawk, Buchanan, Delaware, and Dubuque Counties and all Iowa counties north thereof; all Wisconsin Counties except Trempealeau, Jackson, Wood, Portage, Waupaca, Outagamie, Brown, and Kewaunee Counties and all Wisconsin counties north and west thereof; and all other states except Alaska, Arizona, California, Connecticut, Idaho, Maine, Massachusetts, Minnesota, Montana, Nevada, New Hampshire, New York, North Dakota, Oregon, Rhode Island, South Dakota, Utah, Vermont, Washington, and Wyoming.	September 30	September 30
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Archuleta, Custer, Delta, Dolores, Eagle, Garfield, Grand, La Plata, Mesa, Moffat, Montezuma, Montrose, Ouray, Pitkin, Rio Blanco, Routt, and San Miguel Counties, Colorado; Connecticut; Idaho; Plymouth, Cherokee, Buena Vista, Pocahontas, Humboldt, Wright, Franklin, Butler, Black Hawk, Buchanan, Delaware, and Dubuque Counties, Iowa, and all Iowa counties north thereof; Massachusetts; all Montana counties except Daniels, Roosevelt, Sheridan, and Valley Counties; New York; Oregon; Rhode Island; all South Dakota counties except Harding, Perkins, Corson, Walworth, Edmonds, Faulk, Spink, Beadle, Jerauld, Aurora, Douglas, and Bon Homme Counties and all South Dakota counties north and east thereof; Washington; and all Wyoming counties except Big Horn, Fremont, Hot Springs, Park, and Washakie Counties.	September 30	November 30
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Matanuska-Susitna County, Alaska; Arizona; California; Nevada; and Utah.	October 31	November 30
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All Alaska Counties except Matanuska-Susitna County; Alamosa, Conejos, Costilla, Rio Grande, and Saguache Counties, Colorado; Maine; Minnesota; Daniels, Roosevelt, Sheridan, and Valley Counties, Montana; New Hampshire; North		
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Dakota; Harding, Perkins, Corson, Walworth, Edmonds, Faulk, Spink, Beadle, Jerauld, Aurora, Douglas, and Bon Homme Counties, South Dakota, and all South Dakota counties north and east thereof; Vermont; Trempealeau, Jackson, Wood, Portage, Waupaca, Outagamie, Brown, and Kewaunee Counties, Wisconsin, and all Wisconsin counties north and west thereof; Big Horn, Fremont, Hot Springs, Park, and Washakie Counties, Wyoming.

March 15 March 15

6. Insured Crop

- (a) In accordance with section 8 (Insured Crop) of the Basic Provisions, the crop insured will be wheat you elect to insure, that is grown in the county on insurable acreage, and for which premium rates are provided by the County Actuarial Table:
 - (1) In which you have a share;
 - (2) That is planted for harvest as grain;
 - (3) That is not:
 - (i) Interplanted with another crop;
 - (ii) Planted into an established grass or legume; or
 - (iii) Planted as a nurse crop, unless planted as a nurse crop for new forage seeding, but only if seeded at a normal rate and intended for harvest as grain.
- (b) If you anticipate destroying any acreage prior to harvest you:
 - (1) May report all planted acreage when you report your acreage for the crop year and specify any acreage to be destroyed as uninsurable acreage. (By doing so, no coverage will be considered to have attached on the specified acreage and no premium will be due for such acreage. If you do not destroy such acreage, you will be subject to the under-reporting provisions contained in section 6(f) of the Basic Provisions); or
 - (2) If the County Actuarial Table provides a reduced premium rate for acreage destroyed by a date designated in the Special Provisions, you may report all planted acreage as insurable when you report your acreage for the crop year. Premium will be due on all the acreage. Your premium amount will be reduced by the amount shown on the County Actuarial Table for any acreage you destroy prior to a date designated in the Special Provisions if you do not claim an indemnity on such acreage. In accordance with section 14(b) of the Basic Provisions, you must obtain our consent before and give us notice after you destroy any of the insured crop so your acreage report can be revised to make you eligible for this reduction in premium.
- (c) In counties for which the Wheat Special Provisions designate both fall and spring final planting dates, you may elect a winter wheat coverage endorsement. This endorsement provides two options for alternative coverage for wheat that is damaged between the fall final planting date and the spring final planting date. Coverage under the endorsement will be effective only if you designate the coverage option you elect by executing the

endorsement by the sales closing date for winter wheat in the county.

7. Insurance Period

In lieu of the requirements under section 11 (Insurance Period) of the Basic Provisions, and subject to any provisions provided by the Winter Wheat Coverage Endorsement if you have elected such endorsement, the insurance period is as follows:

(a) Insurance attaches on each unit or part thereof on the later of the date we accept your application or the date the insured crop is planted subject to the following limitations:

- (1) The acreage must be planted on or before the final planting date designated in the Special Provisions for the type (winter or spring) except as allowed in section 12(c).
- (2) Whenever the Special Provisions designate only a fall final planting date, any acreage of winter wheat damaged before such final planting date, to the extent that growers in the area would normally not further care for the crop, must be replanted to a winter type of the insured crop unless we agree that replanting is not practical.
- (3) Whenever the Special Provisions designate both fall and spring final planting dates, winter wheat planted on or before the fall final planting date which is damaged:
 - (i) Before the fall planting final planting date, to the extent that growers in the area would normally not further care for the crop, must be replanted to a winter type of the insured crop unless we agree that replanting is not practical.
 - (ii) On or after the fall final planting date, 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 an appropriate variety of the insured crop unless we agree that replanting is not practical.

If you have elected coverage under one of the available Winter Wheat Coverage Endorsement Options available in the county, the insurance period for wheat will be in accordance with the selected option.

- (4) Whenever the Special Provisions designate only a spring final planting date:
 - i) Any acreage of spring wheat damaged before such 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 type of the insured crop unless we agree that replanting is not practical; and
 - ii) Whenever the Special Provisions designate only a spring final planting date, any acreage of fall planted wheat is not insured unless you request such coverage and we agree in writing that the acreage has an adequate stand in the spring to produce the yield used to determine your Final Guarantee. Insurance will then attach to acreage

having an adequate stand on the earlier of the spring final planting date or the date we agree to accept the acreage for insurance. If such fall planted acreage is not to be insured it must be recorded on the acreage report as an uninsured fall planted crop.

- (b) Insurance ends on each unit at the earliest of:
 - (1) Total destruction of the insured crop on the unit;
 - (2) Harvest of the unit;
 - (3) Final adjustment of a loss on the unit;
 - (4) September 25 following planting in Alaska, or October 31 of the calendar year in which the crop is normally harvested in all other states; or
 - (5) Abandonment of the crop on the unit.

8. Causes of Loss

In addition to the provisions under section 12 (Causes of Loss) of the Basic Provisions, any loss covered by this policy must occur within the insurance period. The specific causes of loss for wheat are:

- (a) Adverse weather conditions;
- (b) Fire;
- (c) Insects, but not damage allowed because of insufficient or improper application of pest control measures;
- (d) Plant disease, but not damage allowed because of insufficient or improper application of disease control measures;
- (e) Wildlife;
- (f) Earthquake;
- (g) Volcanic eruption;
- (h) Failure of the irrigation water supply; or
- (i) A Harvest Price that is less than the Base Price.

9. Replanting Payments

- (a) A replant payment for wheat only is allowed as follows:
 - (1) You comply with all requirements regarding replanting payments contained under section 13 (Replanting Payment) of the Basic Provisions and in any winter wheat coverage endorsement for which you are eligible and which you have elected;
 - (2) The wheat must be damaged by an insurable cause of loss to the extent that the remaining stand will not produce at least 90 percent of the Minimum Guarantee for the acreage;
 - (3) The acreage must have been initially planted to spring wheat in those counties with only a spring final planting date;
 - (4) The damage must occur after the fall final planting date in those counties where **both** a fall and spring final planting date are designated;
 - (5) Replanting must take place not later than 25 days after the spring final planting date; and
 - (6) The replanted wheat must be seeded at a rate that is normal for initially planted wheat (if new seed is planted at a reduced seeding rate into a partially damaged stand of wheat, the acreage will not be eligible for a replanting payment).
- (b) No replanting payment will be made for acreage

initially planted to winter wheat in any county for which the Special Provisions contain only a fall final planting date.

- (c) In accordance with section 13(c) of the Basic Provisions, the maximum amount of the replanting payment per acre will be the lesser of 20 percent of the Minimum Guarantee or 3 bushels, times the Base Price times your share.
- (d) When wheat is replanted using a practice that is uninsurable for an original planting, the liability for the unit will be reduced by the amount of the replanting payment. The premium amount will not be reduced.

10. Duties In The Event of Damage or Loss

In addition to your duties under section 14 of the Basic Provisions, if you initially discover damage to any insured crop within 15 days of, or during harvest, you must leave representative samples of the unharvested crop for our inspection. The samples must be at least 10 feet wide and the entire length of each field in the unit, and must not be harvested or destroyed until the earlier of our inspection or 15 days after harvest of the balance of the unit is completed.

11. Settlement of Claim

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

- (1) Optional unit, we will combine all optional units for which acceptable records of production were not provided; or for any
- (2) 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 any insured unit of wheat by:

- (1) Multiplying the insured acreage of wheat by the Final Guarantee;
- (2) Subtracting the Calculated Revenue from the result of section 11(b)(1); and
- (3) Multiplying the result by your share.

If the result of section 11(b)(3) is greater than zero, an indemnity will be paid. If the result of section 11(b)(3) is less than zero, no indemnity will be due.

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

- (1) All appraised production as follows:
 - (i) Not less than that amount of production that when multiplied by the Harvest Price equals the Final Guarantee for acreage:
 - (A) Which is abandoned;
 - (B) Put to another use without our consent;
 - (C) Damaged solely by uninsured causes; or
 - (D) For which you fail to provide records of production that are acceptable to us;
 - (ii) Production lost due to uninsured causes;
 - (iii) Unharvested production (mature unharvested production may be

adjusted for quality deficiencies and excess moisture in accordance with section 11(d));

(iv) Potential production on insured acreage you want to put to another use or you wish to abandon and 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 put the acreage to another use or abandon the crop. If:

(A) Agreement on the appraised amount of production is not reached, you may elect to continue to care for the crop, or we will give you consent to put the acreage to another use if you agree to leave intact, and provide sufficient care for, representative samples of the crop in locations acceptable to us. The amount of production to count for such acreage will be based on the harvested production or appraisals from the samples at the time harvest should have occurred. If you do not leave the required samples intact, or you fail to provide sufficient care for the samples, our appraisal made prior to giving you consent to put the acreage to another use will be used to determine the amount of production to count.

(B) You elect to continue to care for the crop, we will determine the amount of production to count for the acreage using the harvested production, or our reappraisal if additional damage occurs and the crop is not harvested.

(2) All harvested production from the insurable acreage.

(d) Mature wheat production may be adjusted for excess moisture and quality deficiencies.

(1) Production will be reduced by .12 percent for each .1 percentage point of moisture in excess of 13.5 percent for wheat. We may obtain samples of the production to determine the moisture content.

(2) Production will be eligible for quality adjustment if:

(i) Deficiencies in quality, in accordance with the Official United States Standards for Grain, result in wheat not meeting the grade requirements for U.S. No. 4 (grades U.S. No. 5 or worse) because of test weight, total damaged kernels (excluding heat damage), shrunken or broken kernels, or defects (excluding foreign material and heat damage), or grading garlicky, light smutty, smutty or ergoty;

(ii) Substances or conditions are present, including mycotoxins, that are identified by the Food and Drug Administration or

other public health organizations of the United States as being injurious to human or animal health.

- (3) Quality will be a factor in determining your loss only if:
 - (i) The deficiencies, substances, or conditions resulted from a cause of loss against which insurance is specified in section 8;
 - (ii) All determinations of these deficiencies, substances, or conditions are made using samples of the production obtained by us or by a disinterested third party approved by us; and
 - (iii) The samples are analyzed by a grain grader licensed under the authority of the United States Grain Standards Act or the United States Warehouse Act with regard to deficiencies in quality, or by a laboratory approved by us with regard to substances or conditions injurious to human or animal health. Test weight for quality adjustment purposes may be determined by our loss adjuster.
- (4) Production of wheat that is eligible for quality adjustment, as specified in sections 11(d)(2) and 11(d)(3), will be reduced by the quality adjustment factor contained in the Special Provisions.
- (e) Any production harvested from plants growing in the insured crop may be counted as production of the insured crop on a weight basis.

12. Late Planting and Prevented Planting

- (a) In lieu of section 8(b)(2) and section 1(hh) of the Basic Provisions, insurance will be provided for acreage planted to the insured crop during the late planting period (see section 12(c)), and acreage you were prevented from planting (see section 12(d)). These coverages provide reduced guarantees. The reduced guarantees will be combined with the Final Guarantee for timely planted acreage for each unit. The premium amount for late planted acreage and eligible prevented planting acreage will be the same as that for timely planted acreage. If the amount of premium you are required to pay (gross premium less our subsidy) for late planted acreage or prevented planting acreage exceeds the liability on such acreage, coverage for those acres will not be provided (no premium will be due and no indemnity will be paid for such acreage). For example, assume you insure one unit in which you have a 100 percent share. The unit consists of 150 acres, of which 50 acres were planted timely, 50 acres were planted 7 days after the final planting date (late planted), and 50 acres are unplanted and eligible for prevented planting coverage. To calculate the amount of any indemnity which may be due to you, the Final Guarantee for the unit will be computed as follows:
 - (1) For timely planted acreage, multiply the per acre Final Guarantee for timely planted acreage by the 50 acres planted timely;

- (2) For late planted acreage, multiply the per acre Final Guarantee for timely planted acreage by 93 percent (0.93) and multiply the result by the 50 acres planted late; and
- (3) For prevented planting acreage, multiply the per acre Final Guarantee for timely planted acreage by:
 - (i) Fifty percent (0.50) and multiply the result by the 50 acres you were prevented from planting, if the acreage is eligible for prevented planting coverage, and if the acreage is left idle for the crop year, or if a cover crop is planted not for harvest. Prevented planting compensation hereunder will not be denied because the cover crop is hayed or grazed; or
 - (ii) Twenty-five percent (0.25) and multiply the result by the 50 acres you were prevented from planting, if the acreage is eligible for prevented planting coverage, and if you elect to plant a substitute crop for harvest after the 10th day following the latest final planting date for the insured crop.

The total of the three calculations will be the Final Guarantee for the unit. Your premium will be based on the result of multiplying the per acre Minimum Guarantee for timely planted acreage by the 150 acres in the unit.

- (b) If you were prevented from planting, you must provide written notice to us not later than the acreage reporting date.
- (c) Late Planting
 - (1) For spring-planted wheat acreage in counties for which the Special Provisions designate a spring final planting date, the Final Guarantee for each acre will be reduced for each day planted after the final planting date by:
 - (i) One percent (.01) per day for the first through the tenth day; and
 - (ii) Two percent (.02) per day for the eleventh through the twenty-fifth day.
 - (2) In addition to the requirements of section 6 (Report of Acreage) of the Basic Provisions, you must report the dates the acreage is planted within the late planting period.
 - (3) If planting of the insured crop continues after the final planting date, or you are prevented from planting during the late planting period, the acreage reporting date will be the later of:
 - (i) The acreage reporting date contained in the Special Provisions; or
 - (ii) Five (5) days after the end of the late planting period.
- (d) Prevented Planting (Including Planting After the Late Planting Period).
 - (1) If you were prevented from planting the insured crop, you may elect:
 - (i) To plant the insured crop during the late planting period. The Final Guarantee for such acreage will be determined in accordance with section 12(c)(1);
 - (ii) Not to plant this acreage to any crop except a cover crop not for harvest.

- You may also elect to plant the insured crop after the late planting period. In either case, the Prevented Planting Guarantee for such acreage will be 50 percent of the final guarantee for timely planted acres. In counties for which the Special Provisions designate a spring final planting date, the Prevented Planting Guarantee will be based on your Final Guarantee for spring-planted acreage of the insured crop. For example, if your Final Guarantee for timely planted acreage is 120 dollars per acre, your prevented planting guarantee would be 60 dollars per acre (120 dollars multiplied by 0.50). If you elect to plant the insured crop after the late planting period, production to count for such acreage will be determined in accordance with sections 11(c) through (e); or
- (iii) Not to plant the intended crop but plant a substitute crop for harvest, in which case:
- (A) No Prevented Planting Guarantee will be provided for such acreage if the substitute crop is planted on or before the tenth day following the latest final planting date for the insured crop; or
- (B) A Prevented Planting Guarantee equal to 25 percent of the Final Guarantee for timely planted acres will be provided for such acreage, if the substitute crop is planted after the tenth day following the latest final planting date for the insured crop. If you elected to exclude this coverage, and plant a substitute crop, no prevented planting coverage will be provided. For example, if your Final Guarantee for timely planted acreage is 120 dollars per acre, your prevented planting guarantee would be 30 dollars per acre (120 dollars multiplied by 0.25). You may elect to exclude prevented planting coverage when a substitute crop is planted for harvest and receive a reduction in the applicable premium rate. If you wish to exclude this coverage, you must so indicate, on or before the sales closing date, on your application or on a form approved by us. Your election to exclude this coverage will remain in effect from year to year unless you notify us in writing on our form by the applicable sales closing date for the crop year for which you wish to include this coverage. All acreage of the crop insured under this policy will be subject to this exclusion.
- (2) Proof may be required that you had the inputs available to plant and produce the intended crop with the expectation of at least producing the Minimum Guarantee.
- (3) In addition to the provisions of section 11 (Insurance Period) of the Basic Provisions, the insurance period for prevented planting coverage begins:
- (i) On the sales closing date contained in the Special Provisions for the insured crop in the county for the crop year the application for insurance is accepted; or
- (ii) For any subsequent crop year, on the sales closing date for the insured crop in the county for the previous crop year, provided continuous coverage has been in effect since that date. For example: If you make application and purchase insurance for wheat for the 1998 crop year, prevented planting coverage will begin on the 1998 sales closing date for the insured crop in the county. If the wheat coverage remains in effect for the 1999 crop year (is not terminated or canceled during or after the 1998 crop year, except the policy may have been canceled to transfer the policy to a different insurance provider, if there is no lapse in coverage), prevented planting coverage for the 1999 crop year began on the 1998 sales closing date.
- (4) The acreage to which prevented planting coverage applies will not exceed the total eligible acreage on all FSA Farm Serial Numbers in which you have a share, adjusted for any reconstitution that may have occurred on or before the sales closing date. Eligible acreage for each FSA Farm Serial Number is determined as follows:
- (i) If you participate in any program administered by the United States Department of Agriculture that limits the number of acres that may be planted for the crop year, the acreage eligible for prevented planting coverage will not exceed the total acreage permitted to be planted to the insured crop.
- (ii) If you do not participate in any program administered by the United States Department of Agriculture that limits the number of acres that may be planted, and unless we agree in writing on or before the sales closing date, eligible acreage will not exceed the greater of:
- (A) The FSA base acreage for the insured crop, including acres that could be flexed from another crop, if applicable;
- (B) The number of acres planted to the insured crop on the FSA Farm Serial Number during the previous crop year; or
- (C) One hundred percent (100%) of

- the simple average of the number of acres planted to the insured crop during the crop years that you certified to determine your yield.
- (iii) Acreage intended to be planted under an irrigated practice will be limited to the number of acres for which you had adequate irrigation facilities prior to the insured cause of loss which prevented you from planting.
 - (iv) Prevented planting coverage will not be provided for any acreage:
 - (A) That does not constitute at least 20 acres or 20 percent of the acreage in the unit, whichever is less (Acreage that is less than 20 acres or 20 percent of the acreage in the unit will be presumed to have been intended to be planted to the insured crop planted in the unit, unless you can show that you had the inputs available before the final planting date to plant and produce another insured crop on the acreage);
 - (B) For which the County Actuarial Table does not designate a premium rate unless a written agreement designates such premium rate;
 - (C) Used for conservation purposes or intended to be left unplanted under any program administered by the United States Department of Agriculture;
 - (D) On which another crop is prevented from being planted, if you have already received a prevented planting indemnity, guarantee or amount of insurance for the same acreage in the same crop year, unless you provide adequate records of acreage and production showing that the acreage has a history of double-cropping in each of the last four years;
 - (E) On which the insured crop is prevented from being planted, if any other crop is planted and fails, or is planted and harvested, hayed or grazed on the same acreage in the same crop year, (other than a cover crop (see section 12(d)(1)(ii)) or a substitute crop (see section 12(d)(1)(iii))) unless you provide adequate records of acreage and production showing that the acreage has a history of double-cropping in each of the last four years;
 - (F) For which planting history or conservation plans indicate that the acreage would have remained fallow for crop rotation purposes.
 - (v) For the purpose of determining eligible acreage for prevented planting coverage, acreage for all units will be combined and be reduced by the number of acres of the insured crop that are timely planted and late planted, if the late planting period is applicable. For example, assume you have 100 acres eligible for prevented planting coverage in which you have a 100 percent share. The acreage is located in a single FSA Farm Serial Number which you insure as two separate optional units consisting of 50 acres each. If you planted 60 acres of the insured crop on one optional unit and 40 acres of the insured crop on the second optional unit, your prevented planting eligible acreage would be reduced to zero (i.e., 100 acres eligible for prevented planting coverage minus 100 acres planted equals zero).
- (5) In accordance with the provisions of section 6 (Report of Acreage) of the Basic Provisions, you must report by unit any insurable acreage that you were prevented from planting. This report must be submitted on or before the acreage reporting date for spring-planted acreage of the insured crop in counties for which the Special Provisions designates a spring final planting date, or the acreage reporting date for fall-planted acreage of the insured crop in counties for which the Special Provisions designates a fall final planting date only. For the purpose of determining acreage eligible for a Prevented Planting Guarantee, the total amount of prevented planting and planted acres cannot exceed the maximum number of acres eligible for prevented planting coverage. Any acreage you report in excess of the number of acres eligible for prevented planting coverage, or that exceeds the number of eligible acres physically located in a unit, will be deleted from your acreage report.

1998 Wheat - CropRevenue Coverage Common Questions and Answers

- 1) **Q: What is CropRevenue Coverage?**
- A:** CropRevenue Coverage (CRC) is an insurance program that guarantees a stated amount of revenue. CRC covers revenue losses due to a low price, low yield, or any combination of the two.
- 2) **Q: What is the primary objective of CropRevenue Coverage?**
- A:** Since the protection of grower revenue is the primary objective of CropRevenue Coverage, it contains provisions addressing both yield and price risks. Four key variables are Approved Yield, Base Price, Harvest Price, and Production to Count.
- 3) **Q: How is Approved Yield defined?**
- A:** CropRevenue Coverage's **Approved Yield** is the historical average amount of production per acre in the insured unit. It uses the farmer's production records or yields assigned by the Federal Crop Insurance Corporation (FCIC). We use at least four crop years of yields to obtain the Approved Yield.
- 4) **Q: What are the Base and Harvest Prices used by CropRevenue Coverage and how are they defined? (please refer to pages 12 and 13 for more price information)**
- A:** CRC defines the **Base Price** as 95% of the average daily settlement price for the harvest contract, at the appropriate commodity exchange, during the insurance sales period. CRC uses the Base Price to calculate premiums and the Minimum Guarantee.
- CRC defines the **Harvest Price** as 95% of the average daily settlement price, during the harvest month, for the nearby contract, at the appropriate commodity exchange. CRC limits the difference between the Base Price and Harvest Price to two dollars (\$2.00) per bushel above or below the Base Price. CRC uses the Harvest Price to determine the Harvest Guarantee and Calculated Revenue. The Harvest Price **IS NOT** the price a producer receives for his crop at the local elevator.
- 5) **Q: What is the Final Guarantee used by CropRevenue Coverage and how is it determined?**
- A:** CRC defines the **Final Guarantee** as the number of dollars guaranteed per acre. The Final Guarantee is the greater of the Minimum or Harvest Guarantees, defined as

follows:

- (1) **Minimum Guarantee** - The Approved Yield per acre, multiplied by the Base Price, multiplied by the selected coverage level percentage.
- (2) **Harvest Guarantee** -The Approved Yield per acre, multiplied by the Harvest Price, multiplied by the selected coverage level percentage. CRC limits the difference between the Harvest Price and Base Price to \$2.00/bu above and below the Base Price.

6) **Q: What coverage levels are available with CropRevenue Coverage?**

A: The coverage levels range from 50% to 75% in 5% increments.

7) **Q: Is the Minimum Guarantee a minimum amount of coverage that cannot decrease? *(All prices used in the following examples are for illustration purposes only - they ARE NOT the actual prices that CRC might use.)**

A: The following wheat example explains the basic principles of CropRevenue Coverage.

Let us assume the Wheat Base Price is **\$3.70/bu** and the selected coverage level is **65%**.

A wheat grower with an Approved Yield of **45 bu/acre** has a Minimum Guarantee equal to **\$108/acre** ($45 \text{ bu/acre} * \$3.70/\text{bu} * .65$). The Final Guarantee cannot be less than \$108/acre, but it can be greater if the Harvest Guarantee turns out to be greater than \$108/acre.

8) **Q: What happens if the Harvest Guarantee is greater than the Minimum Guarantee?**

A: The **Final Guarantee** is the greater of the Minimum or Harvest Guarantees.

For example, assume it is determined that the Wheat Harvest Price is **\$4.00/bu**. CropRevenue Coverage uses the Harvest Price to calculate a Harvest Guarantee equal to **\$117/acre** ($45 \text{ bu/acre} * \$4.00/\text{bu} * .65$). The \$117/acre Harvest Guarantee is greater than the \$108/acre Minimum Guarantee. As a result, CRC establishes our example's Final Guarantee at **\$117/acre**.

9) **Q: What is the maximum Harvest Guarantee?**

A: CRC limits the difference between the Harvest Price and Base Price to \$2.00/bu above and below the Base Price.

If we continue our corn example, then the maximum Harvest Guarantee equals the farmer's Approved Yield, multiplied by the (Base Price + \$2.00/bu), multiplied by the selected coverage level percentage.

The farmer in our wheat example has a maximum Harvest Guarantee equal to \$167/acre (45 bu/acre * \$5.70/bu * .65). This example shows that the Harvest Price was limited to \$5.70/bu (\$3.70/bu base price + \$2.00/bu).

10) **Q: What is CropRevenue Coverage's Production to Count?**

A: **Production to Count** equals harvested and appraised production from the insured acreage as outlined in the CRC Wheat Crop Provisions. Production to Count may also include quality adjustments described in the CRC Wheat Crop Provisions.

11) **Q: How does CropRevenue Coverage determine Calculated Revenue?**

A: CRC determines **Calculated Revenue** by multiplying the farmer's Production to Count for the unit times the Harvest Price. Remembering that Calculated Revenue uses the CRC Harvest Price and not the price a farmer might receive for his crop at the local elevator is very important. Calculated Revenue counts against the farmer's Final Guarantee in determining indemnity payments.

Let us assume the farmer in our example has a Production to Count equal to 20 bu/acre. Under these circumstances, the farmer's Calculated Revenue is **\$80/acre** (20 bu/acre * \$4.00/bu).

12) **Q: What is the maximum and minimum Calculated Revenue?**

A: Again, CRC limits the difference between the Harvest Price and Base Price to \$2.00/bu above and below the Base Price.

To continue our wheat example, the Harvest Price cannot be greater than \$5.70/bu (\$3.70/bu + \$2.00/bu) or less than \$1.70/bu (\$3.70/bu - \$2.00/bu). As a result, CRC caps our example wheat farmer's Calculated Revenue at \$114/bu (\$5.70/bu * 20 bu/acre) and caps it at \$34/acre (\$1.70/bu * 20 bu/acre).

13) **Q: How does CropRevenue Coverage determine an indemnity payment?**

A: If a *CropRevenue* Coverage policy's Calculated Revenue is less than its Final Guarantee, then CRC pays an indemnity equal to the difference. For instance, our example's farmer receives an indemnity payment equal to **\$37/acre** (\$117/acre - \$80/acre).

14) Q: How will a *CropRevenue* Coverage loss be determined?
- Are losses adjusted on a unit basis or a policy basis?
- Is quality adjustment needed when the insured sells all production?

A: A *CropRevenue* Coverage loss will occur if the Calculated Revenue is less than the Final Guarantee. The difference between these two amounts will determine any indemnity payment.

- Optional units are available because they will allow the best coverage for each farmer. They also allow the farmer to make a fair comparison between MPCCI and CRC.
- CRC uses the normal MPCCI adjusting process to determine Production to Count.

15) Q: When does *CropRevenue* Coverage make indemnity payments?

A: If an indemnity payment is due under a *CropRevenue* Coverage policy, then we will pay it as follows:

If we do not know the Harvest Guarantee at the time a loss is determined, then we will pay losses in two segments.

- (1) First, we pay an initial indemnity based upon the Minimum Guarantee.
- (2) Second, once we know the Harvest Guarantee, we recalculate the indemnity payment and then pay any additional indemnity due. An additional indemnity payment is due if the Harvest Guarantee is greater than the Minimum Guarantee.

If we know the Harvest Guarantee at the time a loss is determined, then we will pay losses based upon the Final Guarantee. The Final Guarantee is the greater of the Minimum or Harvest Guarantees.

We can only complete losses after the Harvest Price and Production to Count have been determined according to the policy and MPCCI loss adjustment procedures established or approved by FCIC.

16) Q: How does *Crop Revenue* Coverage handle Late Planted and Prevented Planting/Replanting losses?

A: CRC adjusts late planted, prevented planting, and replanting losses in the same manner as MPCCI losses of the same type. The indemnity, if any, is calculated based upon the Final Guarantee for late planted and prevented planting losses. However, CRC uses the Minimum Guarantee to adjust replanting losses.

We pay an initial indemnity based upon the Minimum Guarantee for late planted and prevented planting losses, but an additional indemnity will be due if the Harvest Guarantee is greater than the Minimum Guarantee. The Final Guarantee is the greater of the Minimum or Harvest Guarantees.

Late planted acres will have their Final Guarantees adjusted according to procedures found in the CRC policy.

For example, acres planted 7 (seven) days after the final planting date have a Prevented Planting Guarantee equal to 93 percent of the Final Guarantee for timely planted acreage. We include the final planting date in the CRC policy.

The **Prevented Planting Guarantee**, for such acreage prevented from planting, is that percentage of the Final Guarantee for timely planted acreage as set forth in the CRC policy.

Prevented planting applies to any acreage left idle for the crop year or planted to an unharvested cover crop. Under these conditions, the Prevented Planting Guarantee is 50 percent (.50) of the Final Guarantee for timely planted acreage.

If the insured plants any harvested substitute crops, the Prevented Planting Guarantee equals 25 percent (.25) of the Final Guarantee for timely planted acreage. The substitute crop is eligible for a full CRC Final Guarantee depending upon whether or not CRC is available to cover the crop and the date the farmer plants it.

If a farmer excludes the prevented planting option, then he is not eligible for the Prevented Planting Guarantee coverage 25 percent of the original crop's Final Guarantee for timely planted acreage.

17) Q: Does CropRevenue Coverage require the insured to be more responsible in case of loss?

A: Once we establish a Harvest Price, we can set a crop yield point for each insured unit

that will trigger a revenue loss payment. We will advise each farmer of this yield point with and explanation of the proper procedures to follow for claim payment.

18) Q: Will there be any special reporting requirements for CropRevenue Coverage?

A: All the reporting requirements are the same as the current MPCCI program. The only change is that the current year's yield information is necessary to determine if a revenue loss has occurred. This information is normally collected as APH information for the succeeding year, so it needs to be collected sooner for CRC. Calculated Revenue uses the current year's yield information.

19) Q: Could a CropRevenue Coverage policy have a loss though a comparable MPCCI policy would not?

A: Yes. Having a revenue loss with an actual yield near the Approved Yield is possible because prices could decline and make the Calculated Revenue less than the Final Guarantee.

20) Q: How is CropRevenue Coverage designed and is it a straight dollar plan of insurance?

A: We have designed CropRevenue Coverage to be a dollar plan of insurance based on the greater of the Minimum or Harvest Guarantees. CRC uses the greater of the Minimum or Harvest Guarantees to establish the Final Guarantee. If the Final Guarantee is greater than the Calculated Revenue, then CropRevenue Coverage pays an indemnity equal to the difference.

21) Q: How is coverage established?

A: Calculating the Minimum Guarantee establishes coverage. CRC computes the Minimum Guarantee by multiplying the grower's Approved Yield times the Base Price and selected coverage level percentage. We calculate it during the insurance sales period so the grower knows what the minimum amount of coverage will be.

Coverage can increase if the Harvest Guarantee is greater than the Minimum Guarantee, but it cannot decrease. CRC computes the Harvest Guarantee by multiplying the grower's Approved Yield times the Harvest Price and selected coverage level percentage.

22) Q: Can CropRevenue Coverage with any of the crop endorsement(s) be purchased without an MPCCI policy?

A: Yes. CropRevenue Coverage serves as an alternative policy to MPCCI and GRP.

- 23) **Q: Does CropRevenue Coverage satisfy FSA linkage requirements?**
- A: Yes. CropRevenue Coverage serves as an alternative policy to MPCCI and GRP.
- 24) **Q: Is CropRevenue Coverage available with coverage provided by the Group Risk Plan?**
- A: No. CropRevenue Coverage is not available with FCIC's Group Risk Plan.
- 25) **Q: What are the eligibility criteria for CRC?**
- A: Any producer eligible for MPCCI coverage is eligible for CRC coverage subject to the additional items below:
- (1) The crop must be eligible for CRC coverage.
 - (2) The insured crop must be grown in states that we have included in our FCIC-approved Standard Reinsurance Agreement (SRA) for the CropRevenue Coverage program.
 - (3) Like MPCCI, farmers must insure all acreage in a county planted to the CRC-eligible crop with CRC or they can insure none of it with CRC. However, the insured does have the option of selecting the MPCCI CAT Endorsement for acres of the same crop in the same county, if they are found on high risk land. CRC can then be selected for all other acres of that crop in the county.
- 26) **Q: Will CropRevenue Coverage be offered for high risk and/or Non-Standard Classified (NCS) land?**
- A: CropRevenue Coverage is available on high risk land. Farmers may also exclude high risk land from their CRC policy and insure it under an MPCCI Catastrophic (CAT) Endorsement.
- Anyone who is NCS classified or farms NCS classified land is not eligible for CropRevenue Coverage on any land in which they share or farm on a crop basis. Also, anyone who shares with someone who is NCS classified is not eligible for CRC on any land they share or farm on a crop basis.
- 27) **Q: What are the possible benefits of CropRevenue Coverage to the Farmer?**
- A:
- (1) CRC guarantees a minimum amount of revenue by insuring both yield and price risks.
 - (2) CRC addresses the price determination problem that often causes MPCCI to

- pay less than the market value of the lost crop.
- (3) CRC provides replacement cost coverage and peace of mind to farmers when they use forward contracting to price their crops.

28) Q: What are the possible disadvantages of CropRevenue Coverage to the Farmer?

A: CRC presents two disadvantages to the Farmer:

- (1) Premiums for the CRC program are higher than premiums for the current MPCCI program.
- (2) In some case scenarios the farmer could receive less of an indemnity payment than under the current MPCCI program. This would only happen if FCIC set the MPCCI market price higher than the CRC Base Price or CRC Harvest Price. The MPCCI program sometimes overpays losses because they do not base the loss on the market value of the crop, unlike CRC that pays losses based upon market-determined prices.

29) Q: What are the major differences between CropRevenue Coverage and Multiple Peril Crop Insurance?

A: CropRevenue Coverage is different from MPCCI in two major ways:

- (1) CRC insures a minimum dollar amount per acre. MPCCI does not.
- (2) CRC provides replacement cost coverage for the crop if the value of that crop is greater than anticipated when the Minimum Guarantee was determined during the insurance sales period. MPCCI does not.

30) Q: What options are applicable/available under CropRevenue Coverage?

- A:**
- (1) A basic unit discount (BUD) is available under CRC, just like MPCCI.
 - (2) Prevented planting (PP) coverage exclusion discounts are available under CRC, just like MPCCI.
 - (3) CRC has a high risk land surcharge that is applicable for appropriate land, just like MPCCI.

31) Q: What options are not applicable/available under CropRevenue Coverage?

- A:**
- (1) CRC offers NO hail and fire exclusion.
 - (2) CRC offers NO good experience discount. We maintain all MPCCI good experience discount records for each farmer and they apply again if the farmer selects MPCCI in the future.

32) **Q: Can I have CRC-eligible crops insured under CropRevenue Coverage and maintain my MPCCI policy on the crops which are not currently eligible for CRC?**

A: Yes, an insured can have MPCCI coverage on crops not currently eligible for CRC and still carry CRC on the crops that are eligible. These policies will have two prefixes (CRC & MP), but only one common number. Policies with only CRC crops will have a CRC prefix.

33) **Q: What is the cost of CropRevenue Coverage?**

A: We estimate that CRC premiums are higher than current MPCCI premiums per acre. However, if crop prices rise into harvest, CRC premiums per dollar of coverage will decline since the CRC coverage amount will rise with a rising market price. Premium costs vary depending on the grower's Approved Yield, coverage level, premium rate, and Base Price. CRC rates are higher than MPCCI rates.

34) **Q: How is premium calculated?**

A: CRC calculates premiums by using a combination of four different factors and the CRC Base Price.

- (1) CRC uses the **MPCCI Base Rate**, with adjustments, to assess the yield risk premium.
- (2) The **CRC Rate** is a premium rate as set forth in the County Actuarial Table used to calculate the risk associated with producing a level of production.
- (3) The **CRC Low Price Factor** is a premium factor as set forth in the County Actuarial Table used to calculate the risk associated with a decrease in the Harvest Price relative to the Base Price.
- (4) The **CRC High Price Factor** is a premium factor as set forth in the County Actuarial Table used to calculate the risk associated with an increase in the Harvest Price relative to the Base Price.
- (5) The **CRC Base Price** is used to determine the Minimum Guarantee and resulting premium.

The combinations of these factors make up the base CRC premium. Farmers paid premiums is the base CRC premium less the applicable subsidy. CRC calculates premium subsidies in the same manner as MPCCI.

- 35) **Q: Is the CRC premium recalculated if the Harvest Price turns out to be greater than the Base Price?**
- A: No. CRC bases premiums upon the Base Price and subsequent Minimum Guarantee. These premiums can only change to make acreage corrections in the same manner as MPCI coverage.
- 36) **Q: When is premium due?**
- A: Premiums for *CropRevenue* Coverage are due on the same date as they would be for MPCI policies if they were in force. The CRC policy contains premium due dates.
- 37) **Q: Are the forms used for *CropRevenue* Coverage different than those used for MPCI?**
- A: No. CRC uses all current MPCI forms except policy forms.
- 38) **Q: Is a *CropRevenue* Coverage application required for each county?**
- A: Yes. A farmer must submit an application for each county.
- 39) **Q: What is the latest sales closing date by which an insured may apply for *CropRevenue* Coverage?**
- A: All *CropRevenue* Coverage sales closing dates are the same as corresponding MPCI sales closing dates.
- 40) **Q: Does *CropRevenue* Coverage require an acreage report?**
- A: Yes. We require an acreage report, identical to that required by MPCI, for actual premiums and Approved Yields to be determined.
- 41) **Q: Are written agreements available on CRC crops?**
- A: No.
- 42) **Q: Is *CropRevenue* Coverage a continuous policy?**
- A: Yes. *CropRevenue* Coverage provides coverage for the succeeding crop year, unless canceled by a time specified in the policy.
- 43) **Q: Is coverage under Option A or B available with *CropRevenue* Coverage?**

- A:** Yes, Option A and Option B are available in the applicable states with counties using both fall and spring final planting dates.
- 44) Q: What happens if a county only has a spring sales closing date, but both winter and spring wheat types are insurable?**
- A:** This situation applies to Valley and Roosevelt counties in Montana. We will provide both winter and spring rates along with appropriate prices and price factors. Wheat insured as winter wheat will use the applicable winter wheat rates in the applicable county and prices from the Kansas City Board of Trade (KCBOT). Wheat insured as spring wheat will use the applicable spring wheat rates in the applicable county and prices from the Minneapolis Grain Exchange (MGE).

CRC - Wheat Prices

CRC uses four different exchanges to value wheat based upon type and geographical area. The exchange group includes the Kansas City Board of Trade (KCBOT), Chicago Board of Trade (CBOT), Minneapolis Grain Exchange (MGE), and Portland Grain Exchange (PGE). **CRC** uses these exchanges to determine the Base Price and Harvest Price for each wheat type and geographical area as follows:

Winter Wheat - (Insured as winter wheat), (CBOT)

Alabama, Georgia, Illinois, Indiana, Kentucky, Louisiana, Michigan, Mississippi, North Carolina, Ohio, South Carolina, Tennessee, Virginia, and Wisconsin

Base Price - 95% of the average daily settlement price for the July 98 Chicago Board of Trade (CBOT) wheat futures contract during the month of August 97.

Harvest Price - 95% of the average daily settlement price for the July 98 CBOT wheat futures contract during the month of June 98.

Winter Wheat - (Insured as winter wheat), (KCBOT)

Arizona, Arkansas, Colorado, Iowa, Kansas, Missouri, Montana, Nebraska, New Mexico, Oklahoma, South Dakota, Texas, and Wyoming

Base Price - 95% of the average daily settlement price for the July 98 Kansas City Board of Trade (KCBOT) wheat futures contract during the month of August 97.

Harvest Price - 95% of the average daily settlement price for the July 98 KCBOT wheat futures contract during the month of June 98.

Spring Wheat* - (Insured as spring wheat), (MGE)

*Whenever the Special Provisions designate only a spring final planting date, any acreage of fall planted wheat is not insured unless you request such coverage and we agree in writing that the acreage has an adequate stand in the spring to produce the yield used to determine your Final Guarantee. Insurance will then attach to acreage having an adequate stand, **under the CRC spring wheat policy terms, rates, and prices**, on the earlier of the spring final planting date or the date we agree to accept the acreage for insurance. If such fall planted acreage is not to be insured it must be recorded on the acreage report as an uninsured fall

planted crop.

Colorado, Iowa, Minnesota, Montana, North Dakota, South Dakota, Wisconsin, and Wyoming

Base Price - 95% of the average daily settlement price for the September 98 Minneapolis Grain Exchange (MGE) wheat futures contract during the month of February 98.

Harvest Price - 95% of the average daily settlement price for the September 98 MGE wheat futures contract during the month of August 98.

Wheat (PGE)

California, Idaho, Oregon, Utah, and Washington

Base Price - 95% of the Portland Price. CRC defines the Portland Price as the average daily settlement price for the September 98 Chicago Board of Trade (CBOT) wheat futures contract during the month of August 97 **plus a basis adjustment equal to** the current five-year average difference between the average daily settlement price for the nearby September CBOT wheat futures contract during the month of August and the average daily settlement price for the soft white wheat contract as reported by the Portland Grain Exchange (PGE) during the month of August.

Harvest Price - 95% of the average daily settlement price for the Portland Grain Exchange (PGE) soft white wheat contract during the month of August 98.

1998 Wheat - Crop Revenue Coverage (CRC) Underwriting Rules

1. CRC calculates premiums charged annually for the insurance at the applicable CRC rates established by September 10 (March 10 for spring wheat) of the current crop year. The CRC premium is based upon the CRC Rate, High Price Factor, and Low Price Factor found in the County Actuarial Table and the CRC Base Price. It also includes the application, approved yield, and an acreage report submitted by the insured to the insurance company. We will charge administrative fees on a crop and county basis. If a client insures the crop at the 50%, 55%, or 60% coverage level, then a fifty (\$50.00) dollar administrative fee will apply. If a client insures the crop at the 65%, 70%, or 75% coverage level, then a ten (\$10.00) dollar administrative fee will apply. The company will invoice the insured for the total actual premium and administrative fee(s). This amount will be due and payable on a date specified in the Special Provisions of the County Actuarial Table for the current crop year.
2. The insured should submit a CRC application to the company no later than the sales closing date as specified in the Special Provisions of the County Actuarial Table for the current crop year for all counties in all states. We must receive all timely dated applications within twenty (20) days of the sales closing date. We will not accept and will return applications received more than twenty (20) days after the sales closing date. Clients requesting to change from MPCCI coverage to CRC coverage within a company must complete an application for CRC and attach a signed request to cancel the existing MPCCI coverage.
3. The CRC policy is a continuous policy and provides coverage for the succeeding crop year unless canceled by a time specified in the policy.
4. The CRC coverage levels are 50%, 55%, 60%, 65%, 70%, and 75%.
5. CRC serves as an alternative policy to MPCCI and GRP. Clients must insure all acreage of the specified crop in the county. The insured does have the option of excluding any high risk ground from CRC coverage and insuring it with an MPCCI CAT policy. The insured must complete a High Risk Exclusion form and CAT application for the high risk ground by the sales closing date. They must submit these documents to the company within twenty (20) days of sales closing. We will suspend any applicable MPCCI good experience discount if the insured switches from MPCCI to CRC. However, the insurance company will maintain good experience records and offer the discount again if the qualifying insured switches back to MPCCI in the future.
6. CRC uses the same reporting requirements as MPCCI. The insured must report APH information by the earlier of forty-five (45) days after the cancellation date or the acreage reporting date to establish yield information and unit structure. The acreage reporting date

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is the same as that established in the Special Provisions of the County Actuarial Table for the current crop year.

7. *CropRevenue Coverage (CRC)* is an insurance program that guarantees a stated amount of revenue. CRC covers revenue losses due to a low price, low yield, or any combination of the two. Since the protection of grower revenue is the primary objective of *CropRevenue Coverage*, it contains provisions addressing both yield and price risks. Four key variables are Approved Yield, Base Price, Harvest Price, and Production to Count.

CRC's **Approved Yield** is the historical average amount of production per acre in the insured unit. It uses the farmer's production records or yields assigned by the Federal Crop Insurance Corporation (FCIC). We use at least four crop years of yields to obtain the Approved Yield.

CRC defines the **Base Price** as 95% of the average daily settlement price for the harvest contract, at the appropriate commodity exchange, during the insurance sales period. CRC uses the Base Price to calculate premiums and the Minimum Guarantee.

CRC defines the **Harvest Price** as 95% of the average daily settlement price, during the harvest month, for the nearby contract, at the appropriate commodity exchange. CRC limits the difference between the Harvest Price and Base Price to \$2.00/bu above and below the Base Price. CRC uses this price to determine the Harvest Guarantee and Calculated Revenue. The Harvest Price **IS NOT** the price a producer gets at the local elevator.

CRC uses four different exchanges to value wheat based upon type and geographical area. The exchange group includes the Kansas City Board of Trade (KCBOT), Chicago Board of Trade (CBOT), Minneapolis Grain Exchange (MGE), and Portland Grain Exchange (PGE). CRC uses these exchanges to determine the Base Price and Harvest Price for each wheat type and geographical area as follows:

Winter Wheat - (Insured as winter wheat), (CBOT)

Alabama, Georgia, Illinois, Indiana, Kentucky, Louisiana, Michigan, Mississippi, North Carolina, Ohio, South Carolina, Tennessee, Virginia, and Wisconsin

Base Price - 95% of the average daily settlement price for the July 98 Chicago Board of Trade (CBOT) wheat futures contract during the month of August 97.

Harvest Price - 95% of the average daily settlement price for the July 98 CBOT wheat futures contract during the month of June 98.

Winter Wheat - (Insured as winter wheat), (KCBOT)

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Arizona, Arkansas, Colorado, Iowa, Kansas, Missouri, Montana, Nebraska, New Mexico, Oklahoma, South Dakota, Texas, and Wyoming

Base Price - 95% of the average daily settlement price for the July 98 Kansas City Board of Trade (KCBOT) wheat futures contract during the month of August 97.

Harvest Price - 95% of the average daily settlement price for the July 98 KCBOT wheat futures contract during the month of June 98.

Spring Wheat* - (Insured as spring wheat), (MGE)

*Whenever the Special Provisions designate only a spring final planting date, any acreage of fall planted wheat is not insured unless you request such coverage and we agree in writing that the acreage has an adequate stand in the spring to produce the yield used to determine your Final Guarantee. Insurance will then attach to acreage having an adequate stand, **under the CRC spring wheat policy terms, rates, and prices**, on the earlier of the spring final planting date or the date we agree to accept the acreage for insurance. If such fall planted acreage is not to be insured it must be recorded on the acreage report as an uninsured fall planted crop.

Colorado, Iowa, Minnesota, Montana, North Dakota, South Dakota, Wisconsin, and Wyoming

Base Price - 95% of the average daily settlement price for the September 98 Minneapolis Grain Exchange (MGE) wheat futures contract during the month of February 98.

Harvest Price - 95% of the average closing prices of the September 97 MGE wheat futures contract during the month of August 97.

Wheat (PGE)

California, Idaho, Oregon, Utah, and Washington

Base Price - 95% of the Portland Price. CRC defines the Portland Price as the average daily settlement price for the September 98 Chicago Board of Trade (CBOT) wheat futures contract during the month of August 97 **plus a basis adjustment equal to** the current five-year average difference between the average daily settlement price for the nearby September CBOT wheat futures contract during the month of August and the average daily settlement price for the soft white wheat contract as reported by the Portland Grain Exchange (PGE) during the month of August.

Harvest Price - 95% of the average daily settlement price for the Portland Grain Exchange

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(PGE) soft white wheat contract during the month of August 98.

CRC defines the **Final Guarantee** as the number of dollars guaranteed per acre. The Final Guarantee is the greater of the Minimum or Harvest Guarantees, defined as follows:

- (1) **Minimum Guarantee** - The Approved Yield per acre, multiplied by the Base Price, multiplied by the selected coverage level percentage.
- (2) **Harvest Guarantee** - The Approved Yield per acre, multiplied by the Harvest Price, multiplied by the selected coverage level percentage. CRC limits the difference between the Harvest Price and Base Price to \$2.00/bu above and below the Base Price.

Production to Count equals harvested and appraised production from the insured acreage as outlined in the CRC Wheat Crop Provisions. Production to Count may also include quality adjustments described in the CRC Wheat Crop Provisions.

CRC determines **Calculated Revenue** by multiplying the farmer's Production to Count for the unit times the Harvest Price. Remembering that Calculated Revenue uses the CRC Harvest Price and not the price a farmer might receive for his crop at the local elevator is very important. Calculated Revenue counts against the farmer's Final Guarantee in determining indemnity payments.

8. A *CropRevenue* Coverage loss will occur if the Calculated Revenue is less than the Final Guarantee. The difference between these two amounts determines any indemnity payment.
 - Optional units are available because they allow the best coverage for each farmer. They also allow the farmer to make a fair comparison between MPCCI and CRC.
 - CRC uses the normal MPCCI adjusting process to determine Production to Count.
9. If an indemnity payment is due under a *CropRevenue* Coverage policy, CRC will pay as follows:

If we do not know the Harvest Guarantee at the time a loss is determined, then CRC pays adjusted losses in two segments.

 - (1) First, CRC pays an initial indemnity based upon the Minimum Guarantee.

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- (2) Second, once we know the Harvest Guarantee, CRC recalculates the indemnity payment and then any additional indemnity due. An additional indemnity payment is due if the Harvest Guarantee is greater than the Minimum Guarantee.

If we know the Harvest Guarantee at the time a loss is determined, then CRC will pay adjusted losses based upon the Final Guarantee. The Final Guarantee is the greater of the Minimum or Harvest Guarantees.

We can only complete losses after the Harvest Price and Production to Count have been determined according to the policy and MPCCI loss adjustment procedures established or approved by FCIC.

10. CRC adjusts late planted, prevented planting, and replanting losses in the same manner as MPCCI losses of the same type. The indemnity, if any, is calculated based upon the Final Guarantee for late planted and prevented planting losses. However, CRC uses the Minimum Guarantee to adjust replanting losses.

CRC pays an initial indemnity based upon the Minimum Guarantee for late planted and prevented planting losses, but an additional indemnity will be due if the Harvest Guarantee is greater than the Minimum Guarantee. The Final Guarantee is the greater of the Minimum or Harvest Guarantees.

Late planted acres have their Final Guarantees adjusted according to procedures found in the CRC policy.

For example, acres planted 7 (seven) days after the final planting date have a Prevented Planting Guarantee equal to 93 percent of the Final Guarantee for timely planted acreage. We include the final planting date in the CRC policy.

The **Prevented Planting Guarantee**, for such acreage prevented from planting, is that percentage of the Final Guarantee for timely planted acreage as set forth in the CRC policy.

Prevented planting applies to any acreage left idle for the crop year or planted to an unharvested cover crop. Under these conditions, the Prevented Planting Guarantee is 50 percent (.50) of the Final Guarantee for timely planted acreage.

If the insured plants any harvested substitute crops, the Prevented Planting Guarantee equals 25 percent (.25) of the Final Guarantee for timely planted acreage. The substitute crop is eligible for a full CRC Final Guarantee depending upon whether or not CRC is available to cover the crop and the date the farmer plants it.

If a farmer excludes the prevented planting option, then he is not eligible for the Prevented

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Planting Guarantee covering 25 percent of the original crop's Final Guarantee for timely planted acreage.

11. Once we establish a Harvest Price, we can set a crop yield point for each insured unit that will trigger a revenue loss payment. We will advise each farmer of this yield point with an explanation of the proper procedures to follow for claim payment.
12. All the reporting requirements are the same as the current MPCl program. The only change is that the current year's yield information is necessary to determine if a revenue loss has occurred. This information is normally collected as APH information for the succeeding year, so it needs to be collected sooner for CRC. Calculated Revenue uses the current year's yield information.
13. Calculating the Minimum Guarantee establishes coverage. CRC computes the Minimum Guarantee by multiplying the grower's Approved Yield times the Base Price and selected coverage level percentage. We calculate it during the insurance sales period so the grower knows what the minimum amount of coverage will be.

Coverage can increase if the Harvest Guarantee is greater than the Minimum Guarantee, but it cannot decrease. CRC computes the Harvest Guarantee by multiplying the grower's Approved Yield times the Harvest Price and selected coverage level percentage.

14. Any producer eligible for MPCl coverage is eligible for CRC coverage subject to the additional items below:
 - (1) The crop must be eligible for CRC coverage.
 - (2) The insured crop must be found in states that we have included in our FCIC-approved Standard Reinsurance Agreement (SRA) for the *CropRevenue* Coverage program.
 - (3) Like MPCl, farmers must insure all acreage in a county planted to the CRC-eligible crop with CRC or they can insure none of it with CRC. However, the insured does have the option of selecting the MPCl CAT Endorsement for acres of the same crop in the same county, if they are found on high risk land. CRC can then be selected for all other acres of that crop in the county.
15. *CropRevenue* Coverage is available on high risk land. Farmers may also exclude high risk land from their CRC policy and insure it under an MPCl Catastrophic (CAT) Endorsement. Anyone who is NCS classified or farms NCS classified land is not eligible for *CropRevenue* Coverage on any land in which they share or farm on a crop basis. Also, anyone who shares

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with someone who is NCS classified is not eligible for CRC on any land they share or farm on a crop basis.

16.
 - (1) A basic unit discount (BUD) is available under CRC, just like MPCI.
 - (2) Prevented planting (PP) coverage exclusion discounts are available under CRC, just like MPCI.
 - (3) CRC has a high risk land surcharge that is applicable for appropriate land, just like MPCI.
17.
 - (1) CRC offers NO hail and fire exclusion.
 - (2) CRC offers NO discount for good experience. We maintain all MPCI good experience discount records for each farmer and they apply again if the farmer selects MPCI in the future.
18. An insured can have MPCI coverage on crops not currently eligible for CRC and still carry CRC on crops that are eligible. These policies will have two prefixes (CRC & MP), but only one common number. Policies with only CRC crops will have a CRC prefix.
19. CRC calculates premiums by using a combination of four different factors and the CRC Base Price.
 - (1) CRC uses the **MPCI Base Rate**, with adjustments, to assess the yield risk premium.
 - (2) The **CRC Rate** is a premium rate as set forth in the County Actuarial Table used to calculate the risk associated with producing a level of production.
 - (3) The **CRC Low Price Factor** is a premium factor as set forth in the County Actuarial Table used to calculate the risk associated with a decrease in the Harvest Price relative to the Base Price.
 - (4) The **CRC High Price Factor** is a premium factor as set forth in the County Actuarial Table used to calculate the risk associated with an increase in the Harvest Price relative to the Base Price.
 - (5) The **CRC Base Price** is used to determine the Minimum Guarantee and resulting premium.

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The combinations of these factors make up the base CRC premium. Farmers paid premiums is the base CRC premium less the applicable subsidy. CRC calculates premium subsidies in the same manner as MPCI.

20. CRC bases premiums upon the Base Price and subsequent Minimum Guarantee. These premiums can only change to make acreage corrections in the same manner as MPCI coverage.
21. Premiums for CRC are due on the same date as they would be for MPCI policies if they were in force. The CRC policy contains premium due dates.
22. CRC uses all current MPCI forms. A farmer must submit an application for each county.
23. All CRC sales closing dates are the same as corresponding MPCI sales closing dates.
24. We require an acreage report, identical to that required by MPCI, for actual premiums and approved yields to be determined.
25. No written agreements are available under CRC.
26. CRC provides coverage for the succeeding crop year, unless canceled by a time specified in the policy.
27. Option A and Option B are available in the applicable states with counties using both fall and spring final planting dates.
28. In addition to complying with all other loss notice requirements as outlined in the policy provisions, the insured must submit a claim for indemnity declaring the amount of loss and including all information required to settle a claim not later than forty-five (45) days after the Harvest Price has been established. This information includes complete harvesting and marketing records for each insured crop by unit, including separate records showing the same information for any production not insured. This information must be submitted on an approved APH reporting form and signed by the insured. If there is a payable loss, then the APH must be submitted not later than sixty (60) days after the end of the insurance period and must be accompanied by a written loss notice.
29. If a county only has a spring sales closing date, but both winter and spring wheat types are insurable, then we will provide both winter and spring rates along with appropriate prices and price factors.

Crop Revenue Coverage
Optional Endorsement
WINTER WHEAT COVERAGE ENDORSEMENT
(This is a Continuous Endorsement)

INSURED'S NAME AND ADDRESS

AGENCY NAME AND ADDRESS

Three horizontal lines for insured's name and address.

Three horizontal lines for agency name and address.

Town State Zip Code

Town State Zip Code

POLICY NO: CROP YEAR EFFECTIVE:

OPTION SELECTED (Check One and sign below) A B

- (a) In return for payment of the additional premium...
(b) This endorsement is available only in counties...
(c) This endorsement modifies the provisions of sections 7 and 11...
(1) You must have a Crop Revenue Coverage policy...
(2) You may select either Option A or Option B...
(3) Insurance Period. Coverage under this endorsement...
(4) The provisions under section 14 of the Crop Revenue Coverage Basic Provisions...

OPTION A

(30 PERCENT COVERAGE AND ACREAGE RELEASE)

Whenever any winter wheat is damaged during the insurance period (see section (c) (3) above), and at least 20 acres or 20 percent of the acreage in the unit, whichever is less, does not have an adequate stand to produce at least 90 percent of the Minimum Guarantee for the acreage...

- (a) Destroy the remaining crop on such acreage. By doing so, you agree to accept an amount of Calculated Revenue to count against the unit Final Guarantee equal to 70 percent of the Final Guarantee for the damaged acreage...
(1) Plant the spring wheat in a manner which results in a clear and discernible break in the planting pattern...
(2) Store or market the production from such acreage in such a manner which permits us to verify the amount of spring wheat production separately from any winter wheat production.

In the event you are unable to provide records of production that are acceptable to us, the spring wheat acreage will be considered to be a part of the original winter wheat unit. If you elected to insure the spring wheat acreage as a separate optional unit, any premium amount for such acreage will be considered earned and payable to us.

- (b) Continue to care for the damaged crop. By doing so, coverage will continue under the terms of the Basic Provisions, applicable Wheat Crop Provisions, and this Option.
(c) Replant the acreage to an appropriate variety of wheat, if it is practical, and receive a replanting payment in accordance with the terms of section 9. (Replanting Payments) of the applicable Wheat Crop Provisions. By doing so, coverage will continue under the terms of the Basic Provisions, the applicable Wheat Crop Provisions, and this Option, and the Final Guarantee for winter wheat will remain in effect.

OPTION B

(WITH FULL WINTER DAMAGE COVERAGE)

Whenever any winter wheat is damaged during the insurance period (see section (c)(3) above), and at least 20 acres or 20 percent of the acreage in the unit, whichever is less does not have an adequate stand to produce at least 90 percent of the Minimum Guarantee for the acreage (to calculate the actual percentage, multiply the appraised production determined in accordance with section 11(c)(1) of the applicable Wheat Crop Provisions times the Base Price and then divide that quantity by the Minimum Guarantee), you may, at your option, take one of the following actions:

- (a) Continue to care for the damaged crop. By doing so, coverage will continue under the terms of the Basic Provisions, the applicable Wheat Crop Provisions, and this Option.
(b) Replant the acreage to an appropriate variety of wheat, if it is practical, and receive a replanting payment in accordance with the terms of section 9 (Replanting Payments) of the applicable Wheat Crop Provisions. By doing so, coverage will continue under the terms of the Basic Provisions, the applicable Wheat Crop Provisions, and this Option, and the Final Guarantee for winter wheat will remain in effect.
(c) Accept our appraisal of the crop on the damaged acreage as Calculated Revenue to count against the Final Guarantee for the damaged acreage, destroy the remaining crop on such acreage, and be eligible for any indemnity due under the terms of the Basic Provisions and the applicable Wheat Crop Provisions. The appraisal will be considered Calculated Revenue in determining any final indemnity on the unit and will be used to settle your claim as described in the provisions of section 11 (Settlement of Claim) of the applicable Wheat Crop Provisions. You may use such acreage for any purpose, including planting and separately insuring any other crop. If you elect to utilize such acreage for the production of spring wheat, you must:
(1) Plant the spring wheat in a manner which results in a clear and discernible break in the planting pattern at the boundary between it and any remaining winter wheat; and
(2) Store or market the production from such acreage in a manner which permits us to verify the amount of spring wheat production separately from any winter wheat production.

In the event you are unable to provide records of production that are acceptable to us, the spring wheat acreage will be considered to be a part of the original winter wheat unit. If you elected to insure the spring wheat acreage as a separate optional unit, any premium amount for such acreage will be considered earned and payable to us.

Agent's Signature Date

Insured's Signature Date

COLLECTION OF INFORMATION AND DATA (PRIVACY ACT)

To ensure that the information requested herein relates to the information supplier's individual capacity as opposed to the supplier's entrepreneurial (business) capacity, the following Federal et seq

Collect of the Social Security Account Number (SSN) or the Employer Identification Number (EIN) is authorized by section 506 of the Federal Crop Insurance Act (7 U.S.C 1506) as required as a condition of eligibility for participation in the Federal crop insurance program. We will correctly identify you, and another person with an interest in your operation of 10 percent or more, as a policyholder within the systems maintained by the Federal Crop Insurance Corporation (FCIC). Furnishing your being denied program participation and benefits.

used in the performance of their duties. The information may be used to: FCIC contract agencies; employees and ;

Service; the Department of Justice, or other credit reporting agencies and collection agencies; other Federal computer matching programs; and in response to judicial orders in the courts. Furnishing the information required by this form is voluntary; however, failure to furnish correct information may result in rejection of this form; rejection of an claim unilateral determination of any monetary amounts due.