

**MULTIPLE PERIL CROP INSURANCE
MILLET PILOT CROP PROVISIONS
For the 1998 and succeeding crop years**

1998-NCIS 789

If a conflict exists among the policy provisions, the order of priority is as follows: (1) the Catastrophic Risk Protection Endorsement, if applicable; (2) the Special Provisions; (3) these Crop Provisions; and (4) the Basic Provisions with (1) controlling (2), etc.

1. Definitions

Harvest - Combining or threshing the millet for grain. A crop that is swathed prior to combining is not considered harvested.

Hundredweight - One hundred pounds avoirdupois.

Initially planted - The first occurrence of planting the insured crop on insurable acreage for the crop year.

Late planting period - In lieu of the definition of "Late planting period" contained in section 1 of the Basic Provisions, late planting period is defined as the period that begins the day after the final planting date for the insured crop and ends 20 days after the final planting date.

Local market price - The cash price for millet with a 50 pound test weight adjusted to zero percent foreign material content basis offered by buyers in the area in which you normally market the millet. Factors not associated with grading, including, but not limited to moisture content, will not be considered.

Millet - Proso millet, produced for grain to be used primarily as bird and livestock feed.

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.

Planted acreage - In addition to the definition of "Planted acreage" contained in section 1 of the Basic Provisions, planted acreage is defined as 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. Acreage planted in any other manner will not be insurable unless otherwise provided by the Special Provisions, actuarial documents or by written agreement.

Swathed - Severance of the stem and grain head from the ground without removal of the seed from the head and placing into a windrow.

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

In addition to the requirements of section 3 of the Basic Provisions, you may select only one price election for all the millet in the county insured under this policy.

3. Contract Changes

The contract change date is December 31 preceding the cancellation date (see the provisions of section 4 of the Basic Provisions).

4. Cancellation and Termination Dates

In accordance with section 2 of the Basic Provisions, the cancellation and termination dates are March 15.

5. Insured Crop

In accordance with section 8 of the Basic Provisions, the crop insured will be all the millet in the county for which a premium rate is provided by the actuarial documents:

- (a) In which you have a share;
- (b) That is planted for harvest as grain; and
- (c) That is not (unless allowed by Special Provisions or by written agreement):
 - (1) Interplanted with another crop;
 - (2) Planted into an established grass or legume; or

- (3) 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.

6. Insurable Acreage

In addition to the provisions of section 9 of the Basic Provisions, any acreage of the insured crop damaged before the final planting date, to the extent that a majority of producers in the area would not normally further care for the crop, must be replanted unless we agree that it is not practical to replant.

7. Insurance Period

In accordance with the provisions of section 11 of the Basic Provisions, the calendar date for the end of the insurance period is the date immediately following planting as follows:

- (a) North Dakota and South Dakota:
 - (1) October 10 for acreage swathed and windrowed by September 15; or
 - (2) September 15 for acreage not swathed and windrowed by September 15;
- (b) Colorado and Nebraska:
 - (1) October 15 for acreage swathed and windrowed by September 30; or
 - (2) September 30 for acreage not swathed and windrowed by September 30.

8. Causes of Loss

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

- (a) Adverse weather conditions;
- (b) Fire;
- (c) Insects, but not damage due to insufficient or improper application of pest control measures;
- (d) Plant disease, but not damage due to insufficient or improper application of disease control measures;
- (e) Wildlife;
- (f) Earthquake;
- (g) Volcanic eruption; or
- (h) Failure of the irrigation water supply, if due to a cause of loss covered by this policy and occurring within the insurance period.

9. Duties In The Event of Damage or Loss

In accordance with the requirements of section 14 of the Basic Provisions, the representative samples of the unharvested crop must be at least 10 feet wide and extend the entire length of each field in the unit. The samples 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.

10. Settlement of Claim

- (a) We will determine your loss on a unit basis. In the event you are unable to provide records of production:
 - (1) For any optional unit, we will combine all optional units for which acceptable records of production were not provided; or
 - (2) For any basic unit, we will allocate any commingled production to such units in

proportion to our liability on the harvested acreage for each unit.

- (b) In the event of loss or damage covered by this policy, we will settle your claim on any unit by:
- (1) Multiplying the insured acreage by the production guarantee;
 - (2) Subtracting from this the total production to count;
 - (3) Multiplying the remainder by your price election; and
 - (4) Multiplying this result by your share.

For example:

You have a 100 percent share in 100 acres of millet in the unit, with a guarantee of 15 hundredweight per acre and a price election of \$4.00 per hundredweight. You are only able to harvest 800 hundredweight. Your indemnity would be calculated as follows:

- (1) 100 acres X 15 hundredweight = 1,500 hundredweight guarantee;
- (2) 1500 hundredweight X \$4.00 price election = \$6,000 value of guarantee;
- (3) 800 hundredweight X \$4.00 price election = \$3,200 value of production to count;
- (4) \$6,000 - \$3,200 = \$2,800 loss; and
- (5) \$2,800 X 100 percent share = \$2,800 indemnity payment.

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

- (1) All appraised production as follows:
 - (i) Not less than the production guarantee for acreage:
 - (A) That 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 subsection 10(d));
 - (iv) Not less than 30 percent of the per acre production guarantee for any acreage that is not harvested;
 - (v) Potential production on insured acreage you want to put to another use or you wish to abandon, 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 agreement on the appraised amount of production is not reached:
 - (A) If you do not elect to continue to care for the crop, we may 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.); or

- (B) If you elect to continue to care for the crop, the amount of production to count for the acreage will be the harvested production, or our reappraisal if additional damage occurs and the crop is not harvested;

- (2) All harvested production from the insurable acreage; and
- (3) If the insured acreage or a portion of the insured acreage has not been swathed and windrowed by the dates specified in section 7, production to count will be based on the appraised production for the acreage or the harvested production, as determined by us.

- (d) Mature millet may be adjusted for excess moisture and quality deficiencies. If moisture adjustment is applicable, it will be made prior to any adjustment for quality.

- (1) Production will be reduced by .12 percent for each 0.1 percentage point of moisture in excess of twelve percent (12%). 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, result in the millet weighing less than 50 pounds per bushel; or
 - (ii) Substances or conditions are present 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 provided under these crop provisions and within the insurance period;
 - (ii) The deficiencies, substances, or conditions result in a net price for the damaged production that is less than the local market price;
 - (iii) 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
 - (iv) The samples are analyzed by a grader 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) Millet production that is eligible for quality adjustment, as specified in subsections 10(d)(2) and (3), will be reduced as follows:

- (i) The market price of the qualifying damaged production and the local market price will be determined on the earlier of the date such quality adjusted production is sold or the date of final inspection for the unit. The price for the qualifying damaged production will be the market price for the local area to the extent feasible. Discounts used to establish the net price of the damaged production will be limited to those that are usual, customary, and reasonable. The price will not be reduced for:
 - (A) Moisture content;
 - (B) Damage due to uninsured causes; or
 - (C) Drying, handling, processing, or any other costs associated with normal harvesting, handling, and marketing of the millet; except, if the price of the damaged production can be increased by conditioning, we may reduce the price of the production after it has been conditioned by the cost of conditioning but not lower than the value of the production before conditioning. We may obtain prices from any buyer of our choice. If we obtain prices from one or more buyers located outside your local market area, we will reduce such prices by the additional costs required to deliver the millet to those buyers;
- (ii) The value of the damaged or conditioned production will be divided by the local market price to determine the quality adjustment factor; and
- (iii) The number of hundredweight remaining after any reduction due to excessive moisture (the moisture-adjusted gross hundredweight, if appropriate) of the damaged or conditioned production will then be multiplied by the quality adjustment factor to determine the net production to count.

(e) Any production harvested from plants growing in the insured crop may be counted as production of the insured crop on a weight basis.

11. Written Agreement

In addition to the requirements in section 18 of the Basic Provisions, written agreements will be written only in counties for which actuarial documents are provided.

12. Late Planting

In lieu of the provisions contained in section 16(a) of the Basic Provisions, the production guarantee for each acre planted to the insured crop during the late planting period will be reduced by:

- (a) One percent for the first through the tenth day; and
- (b) Three percent for the eleventh through the twentieth day.

13. Prevented Planting

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