

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.

Adapted - Varieties of the insured crop that are recognized by the Cooperative State Research, Education, and Extension Service as compatible with agronomic and weather conditions in the county.

Allowable Cost - The dollar amount per pound for harvesting and hauling that is shown in the Special Provisions.

Amount of insurance - The amount shown on the actuarial documents for the corresponding coverage level percentage you select.

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

Harvest - The picking or removal of mature cherries from the trees either by hand or machine.

Marketable production - Cherry production that meets or exceeds the grading standards specified in the Special Provisions, or would be accepted by a packer, processor, or other handler even if failing to meet grading standards.

Mechanical damage - Damage to the trees and/or fruit caused by improper use of machinery or tools.

Minimum Value - A dollar amount per pound shown in the Special Provisions that we will use to value marketable production.

Net price received - The dollar amount received by the insured for all cherries sold after adjustment for handling charges and related activities.

Pound - A unit of weight equal to 16 ounces avoirdupois.

Rootstock - The root and stem portion of a tree to which a scion can be grafted.

Scion - Twig or portion of a twig of one plant that is grafted onto a stock of another.

2. Unit Division.

In addition to the requirements of section 34(c) of the Basic Provisions, optional units may be established if each optional unit is located on non-contiguous land, unless limited by the Special Provisions.

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

In addition to the requirements of section 3 of the Basic Provisions:

- (a) You may select only a single percentage of the dollar amount of insurance for all cherries in the county insured under this policy.
- (b) You must report, by the production reporting date designated in section 3 (Insurance Guarantees,

Coverage Levels, and Prices for Determining Indemnities) of the Basic Provisions:

- (1) Any damage, removal of trees, change in practices, or any other circumstance that may reduce the quantity or quality of cherries produced on insured acres and the number of affected acres;
- (2) Production of cherries for the prior years from insurable and uninsurable acreage;
- (3) The ages of the trees, number of bearing trees, and planting patterns on insurable acreage; and
- (4) For the first year of insurance for acreage interplanted with another perennial crop, and any time the planting pattern of such acreage is changed:
 - (i) The age of the interplanted crop and type if applicable;
 - (ii) The planting pattern; and
 - (iii) Any other information that we request.

(c) We will reduce your guarantee as necessary, based on our estimate of the effects of the conditions listed in section 3(b)(1) on the quantity or quality of cherries produced. If you fail to notify us of any circumstance that may affect your cherry production, we will reduce your guarantee as necessary at any time that we become aware of such circumstances.

(d) You may not increase your elected or assigned coverage level or amount of insurance after coverage begins for any crop year if a cause of loss, that could or will reduce the yield of the insured crop, is evident prior to the time you wish to change your coverage.

4. Contract Changes.

In accordance with section 4 of the Basic Provisions, the contract change dates are the following calendar dates preceding the cancellation dates:

- (a) October 31 in California; and
- (b) August 31 in all other states.

5. Cancellation and Termination Dates.

In accordance with section 2 of the Basic Provisions, the cancellation and termination dates are:

- (a) January 31 in California; and
- (b) November 20 in all other states.

6. Insured Crop.

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

- (a) In which you have a share;
- (b) That are of varieties (scion and rootstock) adapted to the area;
- (c) That are irrigated, unless the Special Provisions allow a non-irrigated practice;

- (d) That are grown on trees that have reached the minimum age, if specified in the Special Provisions, at the time insurance attaches and produced at least the amount of cherries specified in the Special Provisions;
- (e) That are grown in an orchard that, if inspected, is considered acceptable by us; and
- (f) That are not direct marketed unless you comply with section 10(d).

7. Insurable Acreage.

In lieu of the provisions in section 9 of the Basic Provisions that prohibit insurance attaching to a crop planted with another crop, cherries interplanted with another perennial crop are insurable unless we inspect the acreage and determine that it does not meet the requirements contained in your policy.

8. Insurance Period.

(a) In accordance with the provisions of Section 11 of the Basic Provisions:

(1) Coverage begins:

(i) In California on February 1, except that for the year of application if your application is received after January 22 but prior to February 1, insurance will attach on the 10th day after your properly completed application is received in our local office, unless we inspect the acreage during the 10-day period and determine that it does not meet insurability requirements.

(ii) In all other states on November 21, except that for the year of application if your application is received after November 11 but prior to November 21, insurance will attach on the 10th day after your properly completed application is received in our local office, unless we inspect the acreage during the 10-day period and determine that it does not meet insurability requirements.

(2) For each subsequent crop year you are insured without a break in continuity of coverage from the prior crop year, coverage begins on the day immediately following the end of the insurance period for the prior crop year. Policy cancellation as a result of transferring to a different insurance provider for the subsequent crop year will not be considered a break in continuity of insurance coverage.

(3) The calendar date for the end of the insurance period for each crop year is the date during the calendar year in which the cherries are normally harvested as follows:

- (i) July 31 in California; and
- (ii) August 31 in all other States.

(b) In addition to the provisions of Section 11 of the Basic Provisions:

(1) If you acquire an insurable share in any insurable acreage after coverage begins but on or before the acreage reporting date for the

crop year, and after an inspection we consider the acreage acceptable, insurance will be considered to have attached to such acreage on the calendar date for the beginning of the insurance period.

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

- (i) A transfer of coverage and right to an indemnity, or a similar form approved by us, is completed by all affected parties;
- (ii) We are notified by you or the transferee in writing of such transfer on or before the acreage reporting date; and
- (iii) The transferee is eligible for crop insurance.

9. Causes of Loss.

(a) 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:

- (1) Adverse weather conditions;
- (2) Fire, unless undergrowth has not been controlled or pruning debris has not been removed from the orchard;
- (3) Insects, but not damage due to insufficient or improper application of pest control measures;
- (4) Plant disease, but not damage due to insufficient or improper application of disease control measures;
- (5) Wildlife;
- (6) Earthquake;
- (7) Volcanic eruption; or
- (8) Failure of the irrigation water supply, if caused by a cause of loss specified in section 9(a)(1) through (7) that occurs during the insurance period.

(b) In addition to the causes of loss excluded in section 12 of the Basic Provisions, we will not insure against damage or loss due to:

- (1) Mechanical damage;
- (2) Failure to harvest in a timely manner; or
- (3) The inability to market the cherries for any reason other than actual physical damage from an insurable cause specified in this section. For example, we will not pay you an indemnity if you are unable to market due to quarantine, boycott, or refusal of any person to accept production.

10. Duties in the Event of Damage or Loss.

In addition to the requirements of Section 14 of the Basic Provisions, the following will apply:

(a) You must notify us within 3 days of the date harvest should have started if the crop will not be harvested.

- (b) If damage occurs when the cherries are mature and ready for harvest, you must notify us within 24 hours so that we can inspect the insured acreage.
 - (c) If damage occurs during harvest, and you do not intend to complete harvesting the crop, you must notify us immediately so that we can inspect the insured acreage.
 - (d) You must notify us at least 15 days before any production from any unit will be sold by direct marketing. We will conduct an inspection, and appraisal if needed, that will be used to determine your production to count for production that will be sold by direct marketing. If damage occurs after this inspection, we will conduct an additional inspection. These inspections, and any acceptable records provided by you, will be used to determine your production value to count. Failure to give timely notice that production will be sold by direct marketing will result in an appraised amount of not less than the dollar amount of insurance per acre if such failure results in our inability to make the required inspection or appraisal.
 - (e) If you intend to claim an indemnity on any unit, you must notify us at least 15 days prior to the beginning of harvest, or immediately if damage is discovered during harvest consistent with section 10(b) of these Crop Provisions.
 - (f) You must not destroy the damaged crop until after we have given you written consent to do so. If you fail to meet the requirements of this section and such failure results in our inability to inspect the damaged production, you will receive not less than the guarantee as production to count.
 - (g) For appraisal purposes, you may be required to harvest a sample selected by us.
- (ii) For catastrophic risk protection coverage, the result of multiplying the total value of production to be counted (section 11(b)(4)) by fifty-five percent; and
- (6) Multiplying the result of section 11(b)(5) by your share.
For example on a unit:
You have 100 percent share in 10 acres of cherries with an amount of insurance of \$2,000 per acre. The total value of your production to count is \$10,500. Your indemnity will be calculated as follows:
 - (i) 10 acres x \$2,000 = \$20,000 amount of insurance;
 - (ii) \$20,000 amount of insurance - \$10,500 production value = \$9,500 loss; and
 - (iii) \$9,500 x 100 percent share = \$9,500 indemnity payment.
- (c) The total value of production to count from all insurable acreage on the unit will include:
 - (1) Not less than the amount of insurance per acre for any acreage:
 - (i) That is abandoned;
 - (ii) Put to another use without our consent;
 - (iii) From which production is sold by direct marketing and you fail to meet the requirements contained in section 10(d).
 - (iv) That is damaged solely by uninsured causes; or
 - (v) For which you fail to provide acceptable marketing records;
 - (2) The value of the appraised production. Appraised production will not be less than the dollar amount obtained by multiplying the pounds of appraised cherries by the minimum value per pound shown in the Special Provisions for:
 - (i) Potential production on any acreage that has not been harvested;
 - (ii) Unharvested production that is marketable but that is damaged or defective due to uninsurable causes;
 - (iii) Production lost due to uninsured causes; and
 - (iv) Potential production on insured acreage that you intend to put to another use or abandon, if you and we agree on the appraised amount of production. Upon such agreement, the insurance period for that acreage will end when 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

11. Settlement Of Claim.

- (a) We will determine your loss on a unit basis. In the event you are unable to provide separate, acceptable marketing records:
 - (1) For any optional unit, we will combine all optional units for which such marketing records were not provided; or
 - (2) For any basic unit, we will allocate any commingled production to such units in proportion to our liability on the harvested acreage for each unit.
- (b) In the event of loss or damage covered by this policy, we will settle your claim by:
 - (1) Multiplying the insured acreage by the amount of insurance per acre for each type, if applicable;
 - (2) Total the result of section 11(b)(1);
 - (3) Determine the total value of production to count for each type, if applicable (see section 11(c));
 - (4) Total the results of section 11(b)(3);
 - (5) Subtract from the result of section 11(b)(2):
 - (i) For other than catastrophic risk protection coverage, the total value of production to be counted (section 11(b)(4)); or

- 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 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; and
- (3) The total value of all harvested production from the insurable acreage. The value of such harvested production will be the dollar amount obtained by subtracting the allowable cost contained in the Special Provisions from the average net price received per pound of cherries (this result may not be less than the minimum value shown in the Special Provisions), and multiplying this result by the pounds of marketable cherries. Harvested production that is damaged or defective due to insurable causes and is not marketable, will not be counted as production.

12. Modified Minimum Value Option.

- (a) The provisions of this option, if provided in the Special Provisions, are continuous and will be attached to and made a part of your insurance policy, if:
- (1) You elect **either** Option I or Option II of the Modified Minimum Value Option on your application, or on a form approved by us, on or before the sales closing date for the initial crop year in which you wish to insure cherries under this option, and pay the additional premium indicated in the actuarial documents for this optional coverage; and
- (2) You have not elected coverage under the catastrophic risk Protection Endorsement.

- (b) In lieu of the provisions contained in section 11(c)(3), the total value of harvested production will be determined as follows:
- (1) The total value of harvested production will be as follows:
- (i) For sold production, the dollar amount obtained by subtracting the allowable cost contained in the Special Provisions from the average net price received for each pound of cherries (this result may not be less than the modified minimum value option contained in the Special Provisions that you chose for any pound of cherries), and multiplying this result by the pounds of cherries sold; and
- (ii) For marketable production that is not sold, the dollar amount obtained by multiplying the pounds of such cherries on the unit by the minimum value shown in the Special Provisions that applies without regard to the choice of the modified minimum value option (harvested production that is damaged or defective due to insurable causes and is not marketable will not be counted as production).
- (c) This option may be canceled by either you or us for any succeeding crop year by giving written notice on or before the cancellation date preceding the crop year for which the cancellation of this option is to be effective.

13. Late and Prevented Planting.

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

14. Written Agreements.

The written agreement provisions of the Basic Provisions, are not applicable.