

Special Provisions of Insurance
2017 and Succeeding Crop Years

Year: 2017	Commodity: Corn (0041)	State: Texas (48)
Date: 11/29/2016	Plan: Yield Protection (01) Revenue Protection (02) Revenue Prot with Harvest Price Exclusion (03)	County: Moore (341)

Program Dates for Insurable Types and Practices

Sales Closing Date 3/15/2017	Earliest Planting Date	Final Planting Date 6/5/2017	Acreage Reporting Date 7/15/2017	Premium Billing Date 8/15/2017
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TP	Type	Practice
T/P 01	High Amylase 382 *3	Irrigated 002
T/P 02	Blue 383 *3	Irrigated 002
T/P 03	Grain 016	Irrigated 002
T/P 04	Silage 026	Irrigated 002
T/P 05	High Amylase 382 *3	Organic(Certified) Irr. 702 *6
T/P 06	Blue 383 *3	Organic(Certified) Irr. 702 *6
T/P 07	Grain 016	Organic(Certified) Irr. 702 *6
T/P 08	Silage 026	Organic(Certified) Irr. 702 *6
T/P 09	High Amylase 382 *3	Organic(Transitional) Irr. 712
T/P 10	Blue 383 *3	Organic(Transitional) Irr. 712
T/P 11	Grain 016	Organic(Transitional) Irr. 712
T/P 12	Silage 026	Organic(Transitional) Irr. 712

Statement

General

Contact your agent regarding possible premium discounts, options, and/or additional coverage that may be available.

In lieu of Section 17(f)(5)(ii) of the Common Crop Insurance Basic Provisions, haying or grazing a cover crop will not impact eligibility for a prevented planting payment provided such action did not contribute to the acreage being prevented from planting.

*3 If you produce any of the following specialty corn type(s) for which yields and rates are available in the actuarial documents:

- a. High amylase – Corn that has been genetically modified to increase its content of the enzyme amylase and that is used primarily for the production of ethanol.

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b. Blue – Corn grown on a plant that produces ears with blue colored kernels or with a mixture of blue and white colored kernels and that is used for the production of tortilla chips, tortillas, and other food products for human consumption.

You may elect to use the price contained in your production contract (contract price) by the acreage reporting date to determine your projected price and harvest price, as applicable, for each specialty type only if the total number of insured acres of the specialty type does not exceed 110 percent of insured specialty type acreage under the contract (the number of acres under contract is determined as indicated below). The acreage must be under contract with a business enterprise equipped with facilities appropriate to handle and store specialty type corn production. The contract must be executed by you and the business enterprise, in effect for the crop year, and you must provide a copy to us no later than the acreage reporting date.

In lieu of the requirement contained in section 5(b)(2)(i) of the Crop Provisions, blue corn produced under a contract that meets the conditions specified in these Special Provisions is insurable without a written agreement.

To be considered a contract, the executed document must contain:

- a. A requirement that you plant, grow and deliver specialty type corn to the business enterprise;
- b. The amount of production that will be accepted or a statement that all production from a specified number of acres will be accepted.

To determine the number of acres under contract:

1. For acreage only based contracts and, acreage and production based contracts which specify a maximum number of acres, the lesser of:
 - i. The insured acres (planted acreage and acreage that is prevented from being planted); or
 - ii. The maximum number of acres specified in the contract.
2. For production only based contracts, the lesser of:
 - i. The number of acres determined by dividing the production stated in the contract by the approved yield; or
 - ii. The insured acres (planted acreage and acreage that is prevented from being planted).
- c. The price to be paid for the contracted production or a method to determine such price:
 1. For yield protection:
 - i. If the contract provides a fixed price for the contracted production, the projected price will be the contract price. A contract that provides for a premium amount that is priced on or before the acreage reporting date will be considered to be a fixed price contract.

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ii. If the contract provides for a premium amount over a price to be determined and it is not priced by the acreage reporting date, the contract price will be the result of adding the premium amount to the CEPP projected price.

2. For revenue protection:

i. If the contract provides a fixed price for the contracted production:

A. The projected price will be the contract price.

B. For high amylase type, the harvest price will be the result of the CEPP projected price subtracted from the contract price and the difference shall be added to the CEPP harvest price.

C. For blue type, the harvest price shall equal the projected price.

ii. If the contract provides for a premium amount over a price to be determined and it is not priced by the acreage reporting date:

A. The projected price will be the result of adding the premium amount to the CEPP projected price.

B. For high amylase type, the harvest price will be the result of the CEPP projected price subtracted from the projected price and the difference shall be added to the CEPP harvest price.

C. For blue type, the harvest price shall be equal to the projected price.

iii. A contract that provides for a premium amount over a market price to be determined but that is priced on or before the acreage reporting date will be considered to be a fixed price contract.

3. The price used will be the price in the contract without regard to incentives or discounts.

4. In no case will the contract price exceed the amount determined by multiplying the CEPP projected price, as applicable, by the contract price limit factor shown below.

5. If you have more than one contract price for any one specialty type, the price used will be the weighted average of the contract prices. Each contract price is subject to the limits referred to in (c)(4).

d. Other such terms that establish the obligations of each party to the contract; and

e. The contract must clearly indicate the specific specialty type or verification must be provided that the contracted variety is one of the specialty types listed above.

For specialty type corn the following replant rules apply:

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In accordance with section 12 of the Crop Provisions, your prevented planting coverage will be 55 percent of your production guarantee for timely planted acreage.

Date

In lieu of the definition of late planting period in section 1 of the Basic Provisions, the late planting period begins the day after the final planting date for the insured crop and ends 15 days after the final planting date.

Price

*6 For acreage insured as certified organic, the Projected Price and Harvest Price will equal the respective Projected Price and Harvest Price as defined within the Commodity Exchange Price Provisions (CEPP) multiplied by a factor determined by RMA and published on www.rma.usda.gov.

Insurance Availability

For acreage that requires a written agreement for insurability per Section 9(a)(1)(iv) of the Basic Provisions (new breaking written agreement), the written agreement request must be submitted by the applicable sales closing date in lieu of section 18(e)(2)(i)(B) and in accordance with section 18(e)(2)(iii).

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In accordance with section 9(a)(1)(iv) in the Common Crop Insurance Policy Basic Provisions (Basic Provisions), acreage that has not been planted and harvested or insured (including insured acreage that was prevented from being planted) in at least one of the three previous crop years or acreage where the only crop that has been planted and harvested in one of the three previous crop years was a cover, hay, or forage crop (hereinafter referred to as new breaking acreage) is insurable at 80 percent of the applicable published county T-Yield in the actuarial documents without a written agreement if all of the following requirements 1 through 4 below are met. New breaking acreage is insurable at 65 percent of the applicable published county T-Yield in the actuarial documents without a written agreement if only requirements 1, 2, and 4 below are met.

1. The policyholder must provide documentation that 75 percent or more of the new breaking acreage by field (or within an existing field if only a portion of the field is new breaking acreage) is composed of soil types defined as Capability Class I, II, III, or IV as determined by the Natural Resources Conservation Service (NRCS) Web Soil Survey (<http://websoilsurvey.nrcs.usda.gov/app/HomePage.htm>);
2. The policyholder must certify that the new breaking acreage was broken out or chemically destroyed on or before November 30 prior to planting;
3. The policyholder must provide documentation that the new breaking acreage has been previously broken and planted to a crop. Examples of documentation include but are not limited to: a FSA-578 document showing the prior crop that the new breaking acreage was planted to, a prior crop year's FSA-578 document showing that the new breaking acreage is classified as cropland, receipts/invoices from custom planters or custom harvesters detailing the fields that were planted or harvested, etc.; and
4. If NRCS requires a Conservation Plan on the new breaking acreage, the policyholder must provide documentation that one is, or will be, in place. If NRCS does not require a Conservation Plan on the new breaking acreage, the producer must certify that one is not required.

Up to and including 320 acres of new breaking acreage per county (on a whole field basis), that meet the requirements above, may be insurable under this Special Provisions statement for the policyholder/entity per each sales closing date (for example, a total of 320 acres or less of new breaking acreage for crops with a September 30 sales closing date and total of 320 acres or less of new breaking acreage for crops with a March 15 sales closing date). Any new breaking acreage (on a whole field basis) that meets the requirements above and exceeds the 320-acre limitation will require a written agreement to establish insurability (only the acreage that exceeds 320 acres requires a written agreement, up to 320 acres may be approved under this Special Provisions statement even if the producer has more than 320 new breaking acres in the county).

Underwriting Standards:

The producer must provide the applicable documentation and certification described in requirements 1 through 4 above to the Approved Insurance Provider (AIP) on or before the acreage reporting date for insurability of such new breaking acreage. If the above requirements are met and the described documentation and certification is provided to the AIP by the acreage reporting date, the new breaking acreage will be insurable using the appropriate percentage (65 percent or 80 percent) applied to the applicable published county T-Yield in the actuarial documents (simple average T-Yields, new producer T-Yields, and variable T-Yield percentages do not apply). A separate APH Database must be established for this new breaking acreage the initial crop year it is insured (in subsequent crop years standard APH procedure will apply provided the acreage is insurable under the terms of the Basic Provisions). Additionally, new breaking acreage will not be eligible for prevented planting coverage the initial crop year it is insured under this Special Provisions statement.

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Insurance shall attach to a crop following a cover crop when the cover crop meets the definition provided in the Basic Provisions, was planted within the last 12 months, and is managed and terminated according to NRCS guidelines. If growing conditions warrant a deviation from the guidelines, producers should contact either Extension or the local NRCS for management guidance. For information on cover crop management and termination guidelines, refer to the Cover Crop Termination Guidelines published at <http://www.nrcs.usda.gov/wps/portal/nrcs/main/national/landuse/crops/>.

Quality

GENERAL STATEMENTS:

The following sections only apply to corn grain production for the insured crop.

The Quality Adjustment Factor (QAF) is 1.000 minus the sum of the applicable Discount Factors (DF) expressed below as three-place decimals. The sum of all applicable DFs will be limited to 1.000. Only the quality adjustment factors contained herein are considered in determining production to count. No other quality adjustment factors are considered in determining production to count.

The production to count remaining after allowable reductions to gross production (in accordance with the applicable Crop Provisions), is multiplied by the QAF (not less than zero) to determine net production to count.

Production qualifying for quality adjustment, that does not contain substances or conditions that are injurious to human or animal health, shall be adjusted under sections A or B, but not both.

Unless the AIP grants an extension of time to harvest as specified below, the samples of production used to determine insurable quality deficiencies under sections A, B and C must be obtained in accordance with this Quality Adjustment Statement, but not later than 60 days after the end of the insurance period (EOIP).

For any production qualifying under sections B or C (except for section C3) that is sold**** to other than a disinterested third party**, or that is not sold prior to 60 days after the calendar date for the EOIP, we will adjust your claim using the applicable DFs. If the production is later sold, we will not recalculate or adjust your claim for indemnity.

For production qualifying under sections B or C (except for production qualifying under section C3) that is unsold 60 days after the calendar date for the EOIP, an automatic 30 day extension will be allowed only for the purpose of submitting your claim for indemnity, unless an extension of time to harvest has been granted or a delay in measurement of farm stored production has been elected under the general statements below.

The DF for production qualifying for quality adjustment containing substances or conditions that are injurious to human or animal health will be determined in accordance with section C. For production qualifying for quality adjustment under:

- a. Sections C1 or C2 and section A below, the DF will be determined by adding the applicable DFs from section A to the applicable DFs from sections C1 or C2.
- b. Sections C1 or C2 and section B below, the DF will be determined by adding the applicable DFs from section B to the applicable DFs from sections C1 or C2.

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- c. Section C3, the DF will be determined under section C3 only. No additional DFs from section A or section B will be included.

1. OPTION TO DELAY CLAIM SETTLEMENT:

- a. On the date of final inspection for the unit, if any of your unsold***** production qualifies for quality adjustment under sections B and/or C1 or C2a ii and C2a iv below, your claim will be settled using the applicable DF's for unsold production unless you elect in writing to delay settlement of your claim for up to 60 days after the calendar date for the EOIP.
- b. If you sell the production to a disinterested third party during this delay, your claim will be settled using the Reduction In Value (RIV) as outlined below, unless the production qualifies under section C (except for production containing Vomitoxin only) and has been in on-farm storage.
- c. At any time during this delay in settlement, you may request to settle your claim for any unsold production using the applicable DFs.
- d. For any production sold**** to other than a disinterested third party**, or that is not sold 60 days after the calendar date for the EOIP, we will settle your claim using the applicable DFs.
- e. If the production is later sold, we will not recalculate or adjust your claim for indemnity.
- f. If the time to harvest has been extended as stated below, this option will not apply beyond 60 days after the calendar date for the EOIP.
- g. This option will not apply to any production qualifying under section C3.

2. SECTION 14(e) OF THE BASIC PROVISIONS

Only when it has been determined that the production qualifies for quality adjustment will the provisions in this Quality Adjustment Statement apply, otherwise this SP statement does not supersede the provisions contained in section 14 (e) in the Basic Provisions.

3. EXTENSION OF TIME TO HARVEST

If we determine you are prevented from harvesting by the calendar date for the EOIP due to an insurable cause of damage that occurred during the insurance period and we allow an extension of time to harvest, the time to determine insurable quality deficiencies will also be extended. If you harvest the crop prior to 60 days after the calendar date for the EOIP, your claim will be settled in accordance with sections A, B, or C as applicable unless you elected to delay settlement of your claim, in which case, refer to 1 above. If you were unable to harvest your crop until AFTER 60 days after the calendar date for the EOIP, and your production qualifies for quality adjustment under sections B1, C1a or C2a i, you will be allowed 30 days after harvest to market your grain and receive an RIV unless the production qualifies solely under section A, in which case, only the DF(s) in section A will be used.

If the production is not sold within this period, the claim will be settled using the applicable pre-established DF. You must complete and submit a claim for indemnity not

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- i. RIVs cannot be used in combination with chart DFs.
- ii. If a lower RIV is available for production sold at a distant market, the RIV at the distant market may be increased by the fair consideration to deliver the production to the distant market, provided the resulting RIV does not exceed the RIV in your local marketing area.
- iii. If the RIV can be decreased by conditioning the production, the RIV may be increased by the cost of conditioning provided the resulting RIV does not exceed the RIV before conditioning.
- iv. The RIV and local market price* are determined on the date such quality adjusted production is sold to a disinterested third party.

SECTION A - DISCOUNT FACTOR CHARTS

On the date of final inspection for the unit, the discount factors are determined using the following charts. If the DF for any one qualifying level of deficiency is not shown on the charts in this section, then determine all DFs using section B or C as applicable.

GRADE DISCOUNT:

Corn will be discounted for grade as follows:

Grade	DF
U.S. Sample Grade	0.085

TEST WEIGHT DISCOUNT

Discounts for low test weight as follows (U.S. Grade No.5 for Test Weight – 48.99 lbs. to 46 lbs.; U.S. Sample Grade – 45.99 lbs. and below:

Test Weight Pounds	DF
49 and above	None
48-48.99	0.041
47-47.99	0.051
46-46.99	0.062
45-45.99	0.072
44-44.99	0.082
Below 44	See section B

DAMAGE DISCOUNT:

Discounts for excessive kernel damage (excluding heat damage) as follows (U.S. Grade No. 5 for Damage - 10.01% to 15%; U.S. Sample Grade - 15.01% and above):

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health agency of the applicable State in which the insured crop is grown, at a level determined as injurious to human or animal health, will be covered only if the appropriate samples of the production were obtained by our adjuster (or a trained disinterested third party approved by us) (except for flood-damaged grain), and the analysis was performed by an approved laboratory using quantitative tests.

The Food and Drug Administration guidelines state when an edible portion of a crop is exposed to flood waters, it is considered adulterated and can be injurious to human or animal health and should not be used for feed or food. For acreage of an insured crop in which the edible portion of the crop has been exposed to flood waters, such production is considered to contain substances or conditions qualifying under Section C3 with a level exceeding the maximum amount allowed. Such production is not required to be sampled and tested by an approved laboratory. Whether you intend to harvest or not harvest such acreage, you must give us notice to inspect the crop. Such production will be considered to have zero market value if destroyed in an acceptable manner. Refer to Section D. If you harvest production from such flood-damaged acreage and commingle with production from acreage not damaged by flood, such commingled production will not be adjusted for any quality deficiencies listed in Section C.

For production that contains substances or conditions determined to be injurious to human or animal health, when applicable, adjustments will be made for levels of substances or conditions in excess of the amount allowed by the lower of the following:

- a. The action or advisory level of the Food and Drug Administration; or
- b. Another public health organization of the United States; or
- c. A public health agency of the applicable State in which the insured crop is grown.

For production that will be stored on the farm, or in commercial storage (except for production containing Vomitoxin), the appropriate samples must be obtained prior to the production entering storage, otherwise such production will not be adjusted for such quality deficiencies listed in section C. For Vomitoxin only, samples for testing may be obtained from storage.

1. For production containing Vomitoxin only (no other section C deficiencies are present) qualifying under section C and that has a level of 10.0 ppm or less, adjust the production in the following manner. If on the date of final adjustment for the unit, the production is:
 - a. Sold to a disinterested third party prior to 60 days after the calendar date for the EOIP, the DF will be the sum of all RIVs applied by the buyer due to all insurable quality deficiencies, and that value divided by the local market price.
 - b. For unsold production or production sold to other than a disinterested third party prior to 60 days after the calendar date for the EOIP, the DF will be the applicable DFs shown in the chart below (unless you elect to delay settlement as specified in the General Statements above) added to the applicable DFs included in sections A or B2 above.
 - c. Unsold 60 days after the calendar date for the EOIP, fed, utilized in any other manner, or is sold to other than a disinterested third party, the DF will be the applicable DFs shown in the chart below added to the applicable DFs included in sections A or B3 above.

DFs for Vomitoxin:

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Vomitoxin Range	DF
0.1 – 5.0 ppm	.000
5.1 – 10.0 ppm	.225
10.1 ppm & above	See C3 below

2. For production containing substances or conditions, other than Vomitoxin, that qualifies under section C with an Aflatoxin level of 300 ppb or less, or other substances or conditions with a level less than the maximum allowable, adjust the production in the following manner.
 - a. If on the date of final adjustment for the unit, the production was transported directly from the field to the buyer, or transported directly from the field and put into commercial storage without going into on farm storage, the DF will be:
 - i. For production sold to a disinterested third party prior to 60 days after the calendar date for the EOIP, the sum of all RIVs applied by the buyer due to all insurable quality deficiencies, and that value divided by the local market price.
 - ii. For unsold production containing Aflatoxin prior to 60 days after the calendar date for the EOIP, the applicable DFs shown in the chart below in section C2b (unless you elect to delay settlement as specified in the General Statements above), added to the applicable DFs included in sections A or B2 above.
 - iii. For unsold production containing Aflatoxin 60 days after the calendar date for the EOIP, the applicable DFs shown in the chart below in section C2b, added to the applicable DFs included in sections A or B3 above.
 - iv. For unsold production containing all other mycotoxins or substances or conditions prior to 60 days after the calendar date for the EOIP (unless you elect to delay settlement as specified in the General Statements above), the DFs will be .500, except as stated in section C3 below. This DF will be added to the applicable DFs included in sections A or B2 above.
 - v. For unsold production containing all other mycotoxins or substances or conditions 60 days after the calendar date for the EOIP, the DFs will be .500, except as stated in section C3 below. This DF will be added to the applicable DFs included in sections A or B3 above.
 - b. If on the date of final adjustment for the unit, the unsold production is in on-farm storage, is in commercial storage but was not transported directly from the field, was fed or utilized in any other manner, was in on-farm storage and has been sold, or was sold to other than a disinterested third party:
 - i. For aflatoxin, we will use the applicable DFs shown in the chart below, except as stated in section C3 below. This chart DF will be added to the applicable DFs included in sections A or B2 above.
 - ii. For all other mycotoxins or substances or conditions, prior to 60 days after the calendar date for the EOIP, the DFs will be .500. This DF will be added to the applicable DFs included in sections A or B2 above.
 - iii. For all other mycotoxins or substances or conditions, 60 days after the calendar date for the EOIP, the DFs will be .500. This DF will be added to the applicable DFs included in sections A or B3 above.

DFs for Aflatoxin:

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and will be adjusted as follows:

- a. For production in section A – the pre-established DFs.
 - b. For production in section B – .500.
 - c. For production in sections C1 or C2, such production will not be adjusted for any quality deficiencies listed in section C.
3. If you destroy production qualifying under section C3 in a manner unacceptable to us, such production will not be adjusted for any quality deficiencies listed in section C. If you do not destroy (or refuse to destroy) such production, a claim will not be completed until such production is sold, fed, utilized in any other manner, or destroyed. An automatic extension of time will be allowed for you to submit your claim for indemnity.

*	“Local Market Price” as defined in the applicable Basic, Crop, or these Provisions.
**	“Disinterested third party” as defined in the applicable Basic, Crop, or these Provisions. In addition to the definition of “Disinterested third party”, a person or business who does not routinely purchase production for resale or for feed will not be considered a disinterested third party if the RIVs applied by the buyer are not reflective of the RIVs in the local market.
***	“Zero market value” occurs when no buyers in your local area are willing to purchase the production and fair consideration to deliver production to a market outside your local marketing area (distant market) is equal to or greater than the production’s value at the distant market or when acreage of an insured crop in which the edible portion of the crop has been exposed to flood waters.
****	“Sold” – Grain is considered sold on the date that final settlement between the buyer and seller has occurred and title of the grain has passed from the seller to the buyer
*****	“Unsold” – Grain that does not meet the definition of “sold.”