

This amendment allows FCIC to tailor the policy to a specific insured in certain instances. The new section will cover application for, and duration of, written agreements.

List of Subjects in 7 CFR Parts 443 and 457

Crop insurance, Hybrid seed crop insurance regulations, Hybrid corn seed.

#### Proposed Rule

Accordingly, for the reasons set forth in the preamble, the Federal Crop Insurance Corporation hereby proposes to amend 7 CFR parts 443 and 457 as follows:

### **PART 443—HYBRID SEED CROP INSURANCE REGULATIONS**

1. The authority citation for 7 CFR part 443 continues to read as follows:

Authority: 7 U.S.C 1506(l) and 1506(p).

2. The subpart heading preceding § 443.1 is revised to read as follows:

#### **Subpart—Regulations for the 1986 through 1997 Crop Years.**

3. Section 443.7 is amended by revising the introductory text of paragraph (d) to read as follows:

#### **§ 443.7 The application and policy**

\* \* \* \* \*

(d) The application for the 1986 through 1997 crop years is found at subpart D of part 400, General Administrative Regulations (7 CFR 400.37 and 400.38). The provisions of the Hybrid Seed Crop Insurance Regulations for the 1986 through 1997 crop years are as follows:

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### **PART 457—COMMON CROP INSURANCE REGULATIONS; REGULATIONS FOR THE 1994 AND SUBSEQUENT CONTRACT YEARS**

3. The authority citation for 7 CFR part 457 continues to read as follows:

Authority: 7 U.S.C. 1506(l) and 1506(p).

4. 7 CFR part 457 is amended by adding a new § 457.152 to read as follows:

#### **§ 457.152 Hybrid Corn Seed Crop Insurance Provisions**

The Hybrid Corn Seed Crop Insurance Provisions for the 1998 and succeeding crop years are as follows:

FCIC policies:

DEPARTMENT OF AGRICULTURE

Federal Crop Insurance Corporation

Reinsured policies:

(Appropriate title for insurance provider)

Both FCIC and reinsured policies:

#### *Hybrid Corn Seed Crop Provisions*

If a conflict exists among the Basic Provisions (§ 457.8), these crop provisions, and the Special Provisions; the Special Provisions will control these crop provisions and the Basic Provisions; and these crop provisions will control the Basic Provisions.

#### 1. Definitions

*Adjusted yield*—The yield per acre that results from multiplying the approved yield by the coverage level percentage.

*Amount of insurance per acre*—The number of dollars determined by multiplying the county yield for the coverage level you select by the price election you select, and subtracting any minimum guaranteed payment. If the minimum guaranteed payment is stated in a unit of measure other than dollars, it will be converted to a dollar amount by multiplying the number of bushels guaranteed by the price election you selected.

*Approved yield*—The yield per acre that a specific type or variety is expected to produce determined from yield records provided by the seed company or other acceptable information.

*Bushel*—Fifty-six pounds avoirdupois of shelled corn, 70 pound avoirdupois of ear corn, or the number of pounds determined under the seed company's normal conversion chart when the company's conversion chart is used to determine the approved yield and the claim for indemnity.

*Certified seed test*—A warm germination test performed according to specifications of the "Rules for Testing Seeds" of the Association of Official Seed Analysts.

*Commercial hybrid corn seed*—The offspring produced by crossing a male and female parent plant, each having a different genetic character. This offspring is the product intended for use by an agricultural producer to produce a commercial field corn crop for grain.

*County yield*—A yield contained in the Actuarial Table that is used to calculate your amount of insurance.

*Days*—Calendar days.

*Dollar value per bushel*—The value determined by dividing your amount of insurance for timely planted acreage by the adjusted yield.

*FSA*—The Farm Service Agency, an agency of the United States Department of Agriculture, or a successor agency.

*Female parent plants*—Corn plants that are grown for the purpose of producing commercial hybrid corn seed and have had their stamens removed.

*Field run*—Commercial hybrid corn seed production before it has been processed or screened.

*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 amount of insurance per acre.

*Good farming practices*—The cultural practices generally in use in the county for the crop to make normal progress toward maturity and produce at least the yield used

to determine the amount of insurance, or are required by the hybrid corn seed processor contract and recognized by the Cooperative State Research, Education, and Extension Service as compatible with agronomic and weather conditions in the county.

*Harvest*—Combining, threshing or picking of the female parent plants to obtain commercial hybrid corn seed.

*Hybrid corn seed processor contract*—A written agreement between the hybrid corn seed crop producer and a seed company containing, at a minimum:

(a) The producer's promise to plant and grow male and female parent plants, and to deliver all commercial hybrid corn seed produced from such plants to the seed company;

(b) The seed company's promise to purchase all the commercial hybrid corn seed produced by the producer; and

(c) Either a fixed price per unit of measure (bushels, hundredweight, etc.) of the commercial hybrid corn seed or a formula to determine the value of such seed. Any formula for establishing the value must be based on data provided by a public third party that establishes or provides pricing information to the general public, based on prices paid in the open market (e.g., commodity futures exchanges) to be acceptable for the purpose of this policy.

*Inadequate germination*—Germination of less than 80 percent of the commercial hybrid corn seed as determined by using a certified seed test on clean seed.

*Insurable interest*—Your share of the financial loss that occurs in the event seed production is reduced by a cause of loss defined under this crop insurance contract.

*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.

*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 irrigated amount of insurance on the irrigated acreage planted to the insured crop.

*Late planted*—Acreage planted to the insured crop during the late planting period.

*Late planting period*—The period that begins the day after the final planting date for the insured crop and ends 25 days after the final planting date.

*Local market price*—The cash price offered by buyers in the area for any production from the female parent plants that is not considered commercial hybrid corn seed under the terms of this policy.

*Male parent plants*—Corn plants grown for the purpose of pollinating female parent plants.

*Minimum guaranteed payment*—A minimum amount (usually stated in dollars or bushels) specified in your hybrid corn seed processor contract that will be paid or credited to you by the seed company regardless of the quantity of seed produced.

*Non-seed amount*—The dollar amount obtained by multiplying the number of bushels of non-seed production to count by