

Special Provisions of Insurance

2012 and Succeeding Crop Years

| | | |
|----------------|---------------------------|------------------------|
| Year: 2012 | Commodity: Walnuts (0029) | State: California (06) |
| Date: 8/4/2011 | Plan: APH (90) | County: Fresno (019) |

Program Dates for Insurable Types and Practices

| Sales Closing Date | Earliest Planting Date | Final Planting Date | Acreage Reporting Date | Premium Billing Date |
|-----------------------|------------------------|--------------------------------------|------------------------|----------------------|
| 1/31/2012 | | | 4/30/2012 | 8/15/2012 |
| Type | | Practice | | |
| No Type Specified 997 | | Irrigated 002 *4 | | |
| No Type Specified 997 | | Organic(Certified) Irr. 702 *4 *5 | | |
| No Type Specified 997 | | Organic(Transitional) Irr. 712 *4 *5 | | |

Statement

General

SET OUT YEAR AND LEAF YEAR

The SET OUT YEAR for APH reporting purposes is the actual calendar year for acreage planted before July 1st. For acreage planted on or after July 1st, the SET OUT YEAR shall be the year following the calendar year in which set out actually occurred.

To determine LEAF YEAR subtract the set out year from the calendar year of insurance (or APH crop year for the yield substitution purposes), then add one year.

In lieu of Section 24(a) of the Basic Provisions, interest will begin to attach on unpaid premium on the first of the month following the first billing date provided that a minimum of 30 days have passed from the first billing date.

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

Practice

- *4 Orchards on high water tables or with springs only qualify for the irrigated practice by written agreement. Contact your crop insurance agent by the sales closing date to determine eligibility requirements.
- *5 Acreage and production history from certified organic or transitional acreage will be contained in separate APH databases. Each APH database will include production and acreage from any applicable buffer zone. Any yearly average APH yields, for the most recent four crop years only, from the transitional acreage database will be used in place of Transitional Yields (T-yields) to establish the certified organic APH database. A variable T-yield will be used to complete the database, if required.

Insurance Availability

In addition to section 6(d) of the Walnut Crop Provisions, the first year that walnut trees are grafted to a different variety, up to and including the sixth growing season after grafting, in which 10% or more of the trees in the unit have been grafted, requires Risk Management Agency Regional Office to establish a determined yield.

In accordance with Section 6(d) of the Walnut Crop Provisions, the insured may request the Risk Management Agency Regional Office to provide a determined yield to insure sixth leaf acreage; or to insure acreage in which 90 percent of the trees have not reached the seventh growing season after being set out.

Quality

In accordance with section 11(d) of the Walnut Crop Provisions, mature walnut production that has mold damage greater than 8 percent due to an insurable cause, based on net delivered weight, will be reduced by the following factors:

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| Percent Mold (%) | Quality Adjustment Factor (%) |
|------------------|--|
| 8.1-12.0 | .900 |
| 12.1-16.0 | .800 |
| 16.1-20.0 | .700 |
| 20.1-24.0 | .600 |
| 24.1-30.0 | .500 |
| 30.1- | NOT SOLD:0.000 |
| 30.1- | SOLD: Amount Received/Maximum Price Election |