

Special Provisions of Insurance

2016 and Succeeding Crop Years

| | | |
|-----------------|---------------------------|------------------------|
| Year: 2016 | Commodity: Walnuts (0029) | State: California (06) |
| Date: 7/23/2015 | Plan: APH (90) | County: Shasta (089) |

Program Dates for Insurable Types and Practices

Sales Closing Date
1/31/2016

Earliest Planting Date

Final Planting Date

Acreage Reporting Date
3/15/2016

Premium Billing Date
8/15/2016

| TP | Type | Practice |
|-------|-----------------------|--------------------------------------|
| T/P 1 | No Type Specified 997 | Irrigated 002 *4 |
| T/P 2 | No Type Specified 997 | Organic(Certified) Irr. 702 *4 *5 |
| T/P 3 | 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 the second sentence of Section 24(a) of the Basic Provisions, for the purpose of premium amounts owed to us or administrative fees owed to FCIC, interest will start to accrue on the first day of the month following the issuance of the notice by us, provided that a minimum of 30 days have passed from the premium billing date specified in the Special Provisions.

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.

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Price

If a contract price is available as shown in the actuarial documents, you may elect to have your price election determined in accordance with the Contract Price Addendum (CPA). If the crop provisions or special provisions provide a method to determine a contract price your price election will be determined in accordance with the crop provisions or special provisions and the CPA does not apply.

Premium

In lieu of section 7(h)(2)(i) of the Basic Provisions, notwithstanding section 7(h)(2) of the Basic Provisions, if you demonstrate you began farming for the first time after June 1 but prior to the beginning of the reinsurance year (July 1), you may be eligible for premium subsidy the subsequent reinsurance year without having form AD-1026 on file with FSA on or before June 1. For example, if you demonstrate you started farming for the first time on June 15, 2015, you may be eligible for premium subsidy for the 2016 reinsurance year without form AD-1026 on file with FSA.

Effective for any policy with a sales closing date on or after July 1, 2015 but not later than June 30, 2016, in lieu of sections 2(c) and (d) of the Basic Provisions, you may not cancel your policy for the initial crop year, but after the initial crop year either you or we may cancel your policy by providing written notice to the other on or before the cancellation date shown in the Crop Provisions. However, for both new and carryover policies you may cancel your policy not later than 45 days after the cancellation date if all of the following are met:

1. You request through your agent and Approved Insurance Provider to query the FSA data regarding whether you have filed an AD-1026 with FSA and such query reveals that there is no AD-1026 on file for the identification number under which you seek, or have, insurance;
2. You believe the FSA information is in error and that a valid AD-1026 is on file;
3. You make application, or elect not to cancel an existing policy, based on this belief;
4. You request review not later than 15 days after the sales closing date, via your AIP, by RMA and FSA of your records and attempt to reconcile any discrepancy; and
5. The result of such process is that you do not have a valid AD-1026 on file.

If all of these conditions are not met, you are precluded from cancelling your policy until the next crop year and you will be responsible for all premium owed.

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.

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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:

| 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 |