

Special Provisions of Insurance

2020 and Succeeding Crop Years

| | | |
|------------------|--|-----------------------|
| Year: 2020 | Commodity: Pecan Trees (0284) | State: Alabama (01) |
| Date: 12/20/2018 | Plan: Tree Based Dollar Amount Of Insurance (40) | County: Baldwin (003) |

Program Dates for Insurable Types and Practices

**Sales Closing
Date**
5/15/2019

**Earliest
Planting Date**

**Final
Planting Date**

**End of Late Planting
Period Date**

**Acreage
Reporting Date**
5/15/2019

**Premium
Billing Date**
3/1/2020

| TP | Type | Practice |
|--------|----------------------|---------------------------------|
| T/P 01 | Group 1 Improved 791 | Non-Irrigated 003 |
| T/P 02 | Group 1 Improved 791 | Irrigated 002 |
| T/P 03 | Group 2 Improved 792 | Non-Irrigated 003 |
| T/P 04 | Group 2 Improved 792 | Irrigated 002 |
| T/P 05 | Group 3 Improved 793 | Non-Irrigated 003 |
| T/P 06 | Group 3 Improved 793 | Irrigated 002 |
| T/P 07 | Native 794 | Non-Irrigated 003 |
| T/P 08 | Native 794 | Irrigated 002 |
| T/P 09 | Seedling 795 | Non-Irrigated 003 |
| T/P 10 | Seedling 795 | Irrigated 002 |
| T/P 11 | Group 1 Improved 791 | Organic(Certified) Non-Irr. 713 |
| T/P 12 | Group 1 Improved 791 | Organic(Certified) Irr. 702 |
| T/P 13 | Group 2 Improved 792 | Organic(Certified) Non-Irr. 713 |
| T/P 14 | Group 2 Improved 792 | Organic(Certified) Irr. 702 |
| T/P 15 | Group 3 Improved 793 | Organic(Certified) Non-Irr. 713 |
| T/P 16 | Group 3 Improved 793 | Organic(Certified) Irr. 702 |
| T/P 17 | Native 794 | Organic(Certified) Non-Irr. 713 |
| T/P 18 | Native 794 | Organic(Certified) Irr. 702 |
| T/P 19 | Seedling 795 | Organic(Certified) Non-Irr. 713 |

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| TP | Type | Practice |
|--------|----------------------|------------------------------------|
| T/P 20 | Seedling 795 | Organic(Certified) Irr. 702 |
| T/P 21 | Group 1 Improved 791 | Organic(Transitional) Non-Irr. 714 |
| T/P 22 | Group 1 Improved 791 | Organic(Transitional) Irr. 712 |
| T/P 23 | Group 2 Improved 792 | Organic(Transitional) Non-Irr. 714 |
| T/P 24 | Group 2 Improved 792 | Organic(Transitional) Irr. 712 |
| T/P 25 | Group 3 Improved 793 | Organic(Transitional) Non-Irr. 714 |
| T/P 26 | Group 3 Improved 793 | Organic(Transitional) Irr. 712 |
| T/P 27 | Native 794 | Organic(Transitional) Non-Irr. 714 |
| T/P 28 | Native 794 | Organic(Transitional) Irr. 712 |
| T/P 29 | Seedling 795 | Organic(Transitional) Non-Irr. 714 |
| T/P 30 | Seedling 795 | Organic(Transitional) Irr. 712 |

Statement

General

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

INSURABLE VARIETIES:

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| Group 1 | Group 2 | | Group 3 |
|------------|---------------|--------------|-----------|
| Amling | Baby B | Headquarters | Cape Fear |
| Apalachee | Byrd | Mandan | Desirable |
| Elliott | Caddo | McMillan | Farley |
| Forkert | Carter | Morrill | Giftpack |
| Frotscher | Creek | Nacono | Pawnee |
| Kanza | Cunard | Ocone | Schley |
| Kiowa | Curtis | Stuart | Success |
| Mahan | Eclipse | Sumner | |
| MoneyMaker | Ellis | Van Deman | |
| Moreland | Excel | Zinner | |
| Shoshoni | Gafford | | |
| Surprise | Gloria Grande | | |

Any improved tree variety not listed in Groups 1 - 3 which is recommended for commercial pecan production by agricultural experts will be insurable under Group 2.

Limb Adjustment Percentage: 10 percent.

ADJUSTMENT FACTORS

Adjustment Factor - Partially and Fully Damaged Trees (Restoration Method 3)

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| Canopy Loss Percent | Stage 1 | Stage 2 | Stage 3 | Stage 4 | Stage 5 |
|---------------------|---------|---------|---------|---------|---------|
| Partially Damaged | | | | | |
| 1% - 10% | .007 | .023 | .052 | .059 | .077 |
| 11% - 20% | .028 | .037 | .064 | .069 | .087 |
| 21% - 30% | .049 | .050 | .076 | .079 | .096 |
| 31% - 40% | .071 | .064 | .088 | .090 | .105 |
| 41% - 50% | .092 | .078 | .100 | .100 | .114 |
| 51% - 60% | .113 | .092 | .112 | .110 | .124 |
| 61% - 70% | .134 | .105 | .124 | .121 | .133 |
| 71% - 80% | .155 | .119 | .136 | .131 | .142 |
| 81% - 89% | .177 | .133 | .148 | .141 | .152 |
| Fully Damaged | | | | | |
| Dehorning | .198 | .147 | .160 | .152 | .161 |

Adjustment Factor - Reset Trees (Restoration Method 4)

| Stage | AL | AR | FL | GA | KS | LA | MO | MS | NM | OK | SC | TX (E) | TX (W) |
|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|--------|
| I | 0.495 | 0.479 | 0.452 | 0.330 | 0.487 | 0.464 | 0.483 | 0.421 | 0.436 | 0.460 | 0.309 | 0.481 | 0.395 |
| II | 0.395 | 0.419 | 0.366 | 0.238 | 0.430 | 0.370 | 0.417 | 0.335 | 0.379 | 0.401 | 0.225 | 0.415 | 0.319 |
| III | 0.509 | 0.541 | 0.475 | 0.329 | 0.542 | 0.484 | 0.538 | 0.450 | 0.502 | 0.524 | 0.312 | 0.533 | 0.426 |

RM 1 (With Stump Removal) - Removal/Replacement Cost Factors (Native Trees)

| Stage | AL | AR | FL | GA | KS | LA | MO | MS | NM | OK | SC | TX (E) | TX (W) |
|-------|------|------|------|------|------|------|------|------|------|------|------|--------|--------|
| I | 0.19 | 0.19 | 0.22 | 0.16 | 0.19 | 0.18 | 0.19 | 0.17 | 0.16 | 0.18 | 0.16 | 0.21 | 0.15 |
| II | 0.17 | 0.18 | 0.19 | 0.12 | 0.18 | 0.16 | 0.18 | 0.14 | 0.15 | 0.17 | 0.12 | 0.19 | 0.13 |
| III | 0.27 | 0.28 | 0.29 | 0.19 | 0.30 | 0.25 | 0.29 | 0.23 | 0.27 | 0.29 | 0.19 | 0.30 | 0.23 |
| IV | 0.37 | 0.39 | 0.39 | 0.26 | 0.42 | 0.36 | 0.40 | 0.32 | 0.37 | 0.40 | 0.26 | 0.40 | 0.32 |
| V | 0.44 | 0.46 | 0.45 | 0.32 | 0.48 | 0.42 | 0.47 | 0.38 | 0.43 | 0.46 | 0.32 | 0.47 | 0.38 |

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RM 2 (No Stump Removal) - Removal/Replacement Cost Factors - Native Trees

| Stage | AL | AR | FL | GA | KS | LA | MO | MS | NM | OK | SC | TX (E) | TX (W) |
|-------|------|------|------|------|------|------|------|------|------|------|------|-----------|-----------|
| I | 0.10 | 0.09 | 0.10 | 0.06 | 0.10 | 0.09 | 0.10 | 0.08 | 0.08 | 0.09 | 0.10 | 0.09 | 0.10 |
| II | 0.08 | 0.08 | 0.08 | 0.04 | 0.08 | 0.07 | 0.08 | 0.06 | 0.07 | 0.08 | 0.08 | 0.08 | 0.08 |
| III | 0.25 | 0.25 | 0.25 | 0.15 | 0.28 | 0.23 | 0.27 | 0.20 | 0.23 | 0.26 | 0.25 | 0.25 | 0.25 |
| IV | 0.31 | 0.32 | 0.34 | 0.22 | 0.34 | 0.29 | 0.33 | 0.26 | 0.30 | 0.33 | 0.31 | 0.32 | 0.34 |
| V | 0.38 | 0.39 | 0.41 | 0.28 | 0.42 | 0.35 | 0.41 | 0.32 | 0.37 | 0.40 | 0.38 | 0.39 | 0.41 |

Price

Use 55% of the reference maximum price for the appropriate stage and restoration method (RM1 or RM2), round up to the next cent when calculating the amount of protection per unit and the unit value for catastrophic coverage (CAT) policies.

Insurance Availability

In accordance with section 11 of the Pecan Tree Crop Provisions, drought is an insurable cause of loss for pecan trees insured under a non-irrigated practice if:

1. The insured's Pecan Tree Insurance Policy is in force for three crop years including the crop year of application. For example: The crop year of application is the 2018 crop year. Drought will be a cause of loss on insured acreage listed on the insured's 2018 crop year acreage report beginning with the 2021 crop year of the insured's policy.
2. Insurable pecan tree acreage added to the insured's operation in any crop following the crop year of application will be subject to a three crop year waiting period beginning with the crop year the acreage is added before drought will be a cause of loss for such acreage.
3. The trees in the unit have a trunk diameter not less than 20.01 inches.
4. For each insurable block, the number of trees per acre for the stage does not exceed the maximum number of trees shown in the following table:

| Eastern Region | |
|----------------|-------------|
| | Trees/Acre* |
| Stage V | 15 |

*Includes native and seedling blocks

5. We inspect the trees before July 1 and determine the trees are not damaged due to drought or any other cause and we accept the trees.

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In accordance with the Pecan Tree Crop Provisions as contained in:

1. Section 8(a)(6), an insurable orchard will be a commercial orchard:
 - a. Containing at least 5 acres of an insurable pecan tree variety including seedling trees; or
 - b. Native pecan trees containing at least 20 acres of insurable pecan trees.
2. Section 9(b), an insurable block, as defined in section 1 of the Crop Provisions, must contain a number of insurable trees per acre equal to or greater than the minimum number of trees shown in the table below for each stage.

Eastern Region

| Variety (improved) - Seedling Trees | Trees/Acre | Native Trees | Trees/Acre |
|---|------------|--------------|------------|
| Stage I | 18 | Stage I | 10 |
| Stage II | 18 | Stage II | 10 |
| Stage III | 18 | Stage III | 10 |
| Stage IV | 13 | Stage IV | 7 |
| Stage V | 9 | Stage V | 4 |

If the block contains more than one stage, the minimum number trees for the block will be a weighted average of the minimum tree number shown in the table for each stage (rounded to the nearest whole tree). For example, the block contains 1,000 native trees: 600 stage III trees (60%); 300 stage IV trees (30%); and 100 stage V trees (10%). The minimum number of trees/acre for the block is 9 $[(10 \times .60) + (7 \times .30) + (4 \times .10) = 8.5]$.