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DEPARTMENT OF AGRICULTURE

Federal Crop Insurance Corporation

7 CFR Part 457

Docket No. FCIC -12-0006

RIN 0563-AC39

Common Crop Insurance Regulations; Florida Citrus Fruit Crop Insurance Provisions;
Correction

AGENCY: Federal Crop Insurance Corporation, USDA.

ACTION: Final rule; correcting amendment.

SUMMARY: This document contains corrections to the final regulation that was published Friday, December 21, 2012 (74 FR 75509-75521). The regulation pertains to the insurance of Florida Citrus Fruit.

EFFECTIVE DATE: (Insert date of publication in Federal Register.)

FOR FURTHER INFORMATION CONTACT: Tim Hoffmann, Director, Product Administration and Standards Division, Risk Management Agency, United States Department of Agriculture, Beacon Facility, Stop 0812, Room 421, PO Box 419205, Kansas City, MO 64141-6205, telephone (816) 926-7730.

SUPPLEMENTARY INFORMATION:

Background

The final regulation that is the subject of these corrections revised the Florida Citrus Fruit Crop Insurance Provisions that published on Friday, December 21, 2012, (74 FR 75509-75521).

Need For Correction

As published, the final regulation contained errors that may prove to be misleading and need to be clarified.

First, the example in section 10(b)(6) that was proposed to be revised was mistakenly omitted in the revised text. This amendment adds the revised example back into section 10(b)(6).

Second, the newly designated section 10(d) was revised based on comments to show the process of “relating.” However, since the newly designated section 10(d)(6)(i) references a calculation in the form of a decimal rather than a percent, an additional revision should have been made to the newly designated section 10(d)(6)(i) by changing the number “100” to the number “1.”

Third, in the newly redesignated section 10(e) the proposed phrase “a default juice content” was not retained in the final rule because all citrus fruit insured as fresh will have a default juice content provided in the Special Provisions. However, the entire proposed phrase “that do not have a default juice content or a Fresh Fruit Factor” should have been removed and replaced with the phrase “unless otherwise” because all fruit insured as fresh will need to have both a default juice content and a Fresh Fruit Factor provided in the Special Provisions for the calculations to work correctly.

List of Subjects in 7 CFR Part 457

Crop insurance, Florida citrus fruit, Reporting and recordkeeping requirements.
Correction of Publication

Accordingly, 7 CFR part 457 is corrected by making the following correcting amendments:

1. The authority citation for 7 CFR Part 457 continues to read as follows:

Authority: 7 U.S.C. 1506(l), 1506(o).

2. Amend § 457.107 as follows:

a. By revising section 10(b)(6);

b. By revising the added section 10(d)(6)(i); and

c. By revising the newly redesignated section 10(e).

The revisions and additions read as follows:

§ 457.107 Florida citrus fruit crop insurance provisions.

* * * * *

10. * * *

(b) * * *

(6) Totaling all such results of section 10(b)(5) for all applicable combinations of commodity types, intended uses, and age classes of trees in the unit and subtracting any indemnities paid for the current crop year to determine the amount payable for the unit. For example, assume a 55-acre unit sustains late season damage. No previous damage has occurred on the unit during the crop year and no fruit has been harvested. The producer elected the 75 percent coverage level and has a 100 percent share. The amount of insurance is \$1,180 per acre, based on the 75 percent coverage level, for the commodity type, intended use, and age class of trees. The amount of potential production is 24,530 boxes and the amount of damaged production is 17,171 boxes. The loss would be calculated as follows:

1. $55 \text{ acres} \times \$1,180 = \$64,900$ amount of insurance for the unit;

2. $17,171 \div 24,530 = 70$ percent average percent of damage;

3. 70 percent damage – 25 percent deductible (100 percent - 75 percent) = 45 percent;

4. 45 percent \div 75 percent = 60 percent adjusted damage; and

5. 60 percent x \$64,900 = \$38,940 indemnity.

* * * * *

(d) * * *

(6) * * *

(i) Subtracting the result of section 10(d)(5) from 1;

* * * * *

(e) Notwithstanding section 10(d), for citrus fruit insured as fresh, unless otherwise provided in the Special Provisions, any individual citrus fruit not meeting the applicable United States Standards for packing as fresh fruit due to an insured cause of loss will be considered 100 percent damaged, except that the percent of damage for any production sold for an alternative use will be adjusted in accordance with section 10(d).

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Signed in Washington, D.C., on January 15, 2013.

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