

UNDERWRITING GUIDELINES FOR THE MINT CROP INSURANCE PROGRAM

Effective for the 2008 and Succeeding Crop Years

Note: The term Spring Coverage refers to Mint Coverage without the Winter Coverage Option (WCO).

- 1 Procedures contained in the FCIC 18010 Crop Insurance Handbook (CIH) apply to Mint, unless otherwise specified.
 - 1A Mint is a Category B Crop.
 - 1B Differences in the procedures are indicated on the CIH Procedure Comparison & Reference Guide (See Section 5).
 - 2 (Not Applicable to CAT policies [NACAT]→ Mint WCO, RMA approved Mint WCO.
 - 2A Allows the insured to elect winter coverage protection.
 - 2B If the WCO is elected, a new insured must elect the option on the application. If a carryover insured, the option must be elected on a contract change form and submitted on or before the applicable fall sales closing date for the crop year in which the insured wishes the option to be effective. This is a continuous option and may be canceled in accordance with the cancellation provisions contained in the Mint Crop Insurance Provisions (08-074 Rev 5/07).
 - 2C RMA approved Mint Crop Insurance Provisions must be in force and all the terms and conditions of the policy adhered to.
 - 2D The Mint WCO protects the crop from the first day after the calendar date for the end of the insurance period in the fall until Spring Coverage attaches on acreage with an adequate stand the following spring. New mint that does not have an adequate stand on the date coverage begins and new mint planted during the WCO insurance period will not be covered by the WCO. Mint acreage with an adequate stand on the date insurance attaches for Spring Coverage, is planted by the final planting date, and complies with requirements of the policy, may be eligible for insurance under the Spring insurance period. ←NACAT)
 - 2E Acreage for which a WCO payment has been made is no longer insurable under the Crop Provisions for the current crop year. For APH purposes: Any mint production subsequently harvested from uninsured acreage for the crop year and not kept separate from production from insured acreage will be considered production to count (See Section 10B of the Crop Insurance Handbook); and, acreage for which a WCO payment has been made will receive an amount of production of zero when computing subsequent year's approved yield.
- 3 Section 6F of FCIC 18010 Multipurpose Production and Yield Worksheet
This form is used to adjust prior commingled mint oil production distilled from more than one unit into one barrel.

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- 4 Acceptable Supporting Records: Still records; settlements; ledgers; assembly sheets; farm management records that show mint oil production in pounds; storage records that show pounds or number of barrels with corresponding weight per barrel.

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5 CIH Procedure Comparison & Reference Guide

APH (MPCI)	Mint	CIH References
Production Reports by Unit (Basic or Optional)	Yes	Section 4 D(3)-(4), & Exhibit 2
Separate APH by P/T/V	Yes	Section 6 E(2)
Separate APH by Map Area	Yes (high-risk land if applicable)	Section 6 E(2)
APH Yield Review	Yes	Exhibit 1
“T” Yields (FCI-35)	Yes	Section 6E
Variable T Yield	Yes	Section 6 C(2)
Assigned Yields	Yes	Section 6 H(2)(b)
Temporary Yields	No	NA
Zero Planted Acres	Yes	Section 6 H(1)(d)
Yield Descriptors	Yes	Exhibit 5
New Producer Procedures	Yes	Section 6 C(3),(4), & Exhibit 37
Cups and Yield Floors	Yes	Section 6 I
Exclude High-Risk Land	Yes	Section 4E(2) & Exhibit 24
Separate Instructions by Crop	Yes (these Guidelines)	NA
Added Land	Yes	Exhibit 36
Production Reporting Date	Yes	Section 3
Another Producer 's Records	Yes	Section 10 E
Multipurpose Production and Yield Worksheet	Yes	Section 6 F, as modified on Page 1, Section 3, of these Underwriting Guidelines

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Note: The procedures in sections 6 and 7 are required for pre-acceptance and underwriting purposes and are suggested for self-certification purposes.

6 ADEQUATE STAND DETERMINATIONS

6A General Information

Adequate stand determinations are necessary to determine the insurability of mint acreage for Spring Coverage and the WCO. Spring Coverage begins on acreage with an adequate stand on the date specified in the Crop Provisions and ends when the crop is harvested, destroyed, abandoned, at final adjustment of a loss, or on the calendar date in the Crop Provisions. It provides an insurance guarantee, in pounds of oil per acre, based on the approved APH yield for a unit. The WCO attaches to acreage with an adequate stand on the date specified in the section 13 of the Crop Provisions and ends on the date specified in section 13. New mint acreage planted during the WCO insurance period must be reported as uninsured unless there is an adequate stand by the date coverage begins. Coverage for such acreage will attach for the Spring Coverage insurance period if the acreage has an adequate stand on the applicable date for the Spring Coverage. The WCO provides a guarantee equivalent to 60 percent of the guarantee for Spring Coverage and protects the insured against stand loss. Adequate stand determinations are used for all:

- Pre-acceptance Inspections.
- Required spot checks.
- Verification of stand during loss adjustment.
- Verification of self-certification reporting by the insured.

The method used to determine adequate stand depends on the type of coverage selected by an insured, timing during the insurance period, and the existence of field rows. Methods for each type of coverage and field condition identified below are explained in Paragraph 6B:

- A(1) WCO - Fall Season mint without rows - Ground cover measurement.
- A(2) WCO - Fall Season mint in rows - Skip measurement.
- A(3) Spring Coverage - Spring Season mint without rows - Plant count.
- A(4) Spring Coverage - Spring Season mint in rows - Plant count.

Calculate and record the results on the Underwriting Report/Pre-Acceptance Inspection/Self-Certification Worksheet. Determine the insurability of the acreage using minimum plant count per square foot or minimum percent stand stated in the Special Provisions.

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6B Methods

B(1) WCO - Fall Season mint without rows: When rows are not discernable, a grid is used to determine the percent of stand. Refer to Paragraph 7 for explanation of the measurement grid and Sample Selection Standards. The grid is placed over the sample area to be examined. Each grid area sampled contains 36 6 inch by 6 inch sectors. A sample consists of three consecutive grid frame counts totaling 27 square feet. The number of inadequate sectors is counted in each grid before it is repositioned.

(1)(a) Grid sectors with mint plants or live stolons are considered as having ground cover.

(1)(b) Sectors with bare ground, no live plants, no live mint foliage, no live stolons, or only non-mint vegetation will be recorded as inadequate sectors.

(1)(c) When all samples are evaluated, sum all inadequate sectors.

(1)(d) Determine Percent of Ground Cover by:
(Total sectors - inadequate sectors) ÷ Total Sectors = Percent Ground Cover

Example:

Three samples are taken (3 x 36 sectors per grid X 3 grid frames = 324 total sectors). A total of 66 negative sectors were determined during the inspection.

The result is:

$324 \text{ sectors} - 66 \text{ negative sectors} = 258 \div 324 = 80 \text{ percent Ground Cover}$

B(2) WCO - Fall Season mint in rows: Newly planted mint or mint with discernable field rows. Refer to Paragraph 7 for Sample Selection Standards. Using a measuring tape and survey flags, measure a representative sample 25 feet long in the row to be evaluated. Examine the sample for skips in mint plants, foliage, or stolons.

(2)(a) Measure all skips two or more feet long that are void of live mint plants, foliage, or stolons.

(2)(b) When all samples are evaluated, sum the number of row feet of skips.

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- (2)(c) Determine Percent of Ground Cover by:
 $(\text{Total feet measured} - \text{Feet of skips}) \div \text{Total feet measured} = \text{Percent Ground Cover}$

Example:

40 acres are inspected.
4 samples at 25 feet each are sampled.
24 feet of skips are recorded.

The result is:

$4 \text{ samples} \times 25 \text{ feet/sample} = 100 \text{ feet} - 24 \text{ feet (skips)} = 76 \div 100 \text{ feet total} = 76 \text{ Percent Ground Cover}$

- B(3) Spring Coverage - Spring Season mint without rows: When rows are not discernable, adequate plant counts will be determined by counting plants per square foot. The grid is placed over the sample area to be examined. A sample consists of three consecutive grid frame plant counts, totaling 27 square feet. The plant counts taken in each grid before it is repositioned. When mint without rows has bare spots resulting in a streak appearance, each sample will be taken across the streak pattern. Refer to Paragraph 7 for an explanation of the grid frame and Sample Selection Standards.

- (3)(a) Record the number of live mint plants found inside the grid frame for the sample (27 square feet).
- (3)(b) When all samples are evaluated, sum the number of live mint plants.
- (3)(c) Determine the number of plants per square foot by:
 $(\text{Total mint plants counted} \div \text{number of samples}) \div 27 \text{ square feet per sample} = \text{Plants Per Square Foot}$

Example:

60 acres are inspected.
5 samples are taken.
216 live plants counted.

The result is:

$(216 \text{ plants counted} \div 5 \text{ samples}) \div 27 \text{ square feet per sample} = 1.6 \text{ Plants Per Square Foot}$

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B(4) Spring Coverage - Spring Season mint in rows: Newly planted mint or mint with discernable field rows. Refer to Paragraph 7 for Sample Selection Standards. Using a measuring tape and survey flags, measure a representative sample 25 feet long in the row to be evaluated. A count of live mint plants will be made. To determine the number of plants per square foot:

(4)(a) Count the number of live mint plants in each 25-foot length of selected rows.

(4)(b) When all samples are evaluated, sum:

Plants counted in each sample taken.
The length of all samples taken (in feet to tenths).

(4)(c) $\text{Plants Per Square Foot} = \text{Total Plant Count} \div [\text{Total length of all Samples (ft.)} \times \text{Row Width (in feet to tenths)}]$

Example:

40 acres are inspected.
4 samples at 25 feet long each with 36-inch wide rows (3 feet)
480 live plants counted.

The result is:

$480 \text{ plants} \div [(25 \text{ feet/sample} \times 4 \text{ samples} = 100 \text{ feet}) \times (3 \text{ foot row width})] = 480 \text{ plants} \div [300 \text{ sq. ft.}] = 1.6 \text{ Plants Per Square Foot.}$

7 SAMPLE SELECTION STANDARDS FOR PLANT COUNT AND GROUND COVER DETERMINATIONS

7A General Information

Determine the number of recommended samples by field size and variability of the mint stand within the field or subfield. Split a field into subfields when significant plant number or ground cover variation exists within a field or, when the insured wishes to destroy part of the field.

Take as many samples as necessary for an accurate determination. See the minimum sample number table below. Use of fewer than the recommended samples must be explained on a Special Report and attached to a Pre-Acceptance Inspection Worksheet.

Use the required number of viable plants per square foot and/or percent of ground cover established by the actuarial table to determine insurability of all mint acreage.

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7B Minimum Adequate Stand Sample Table

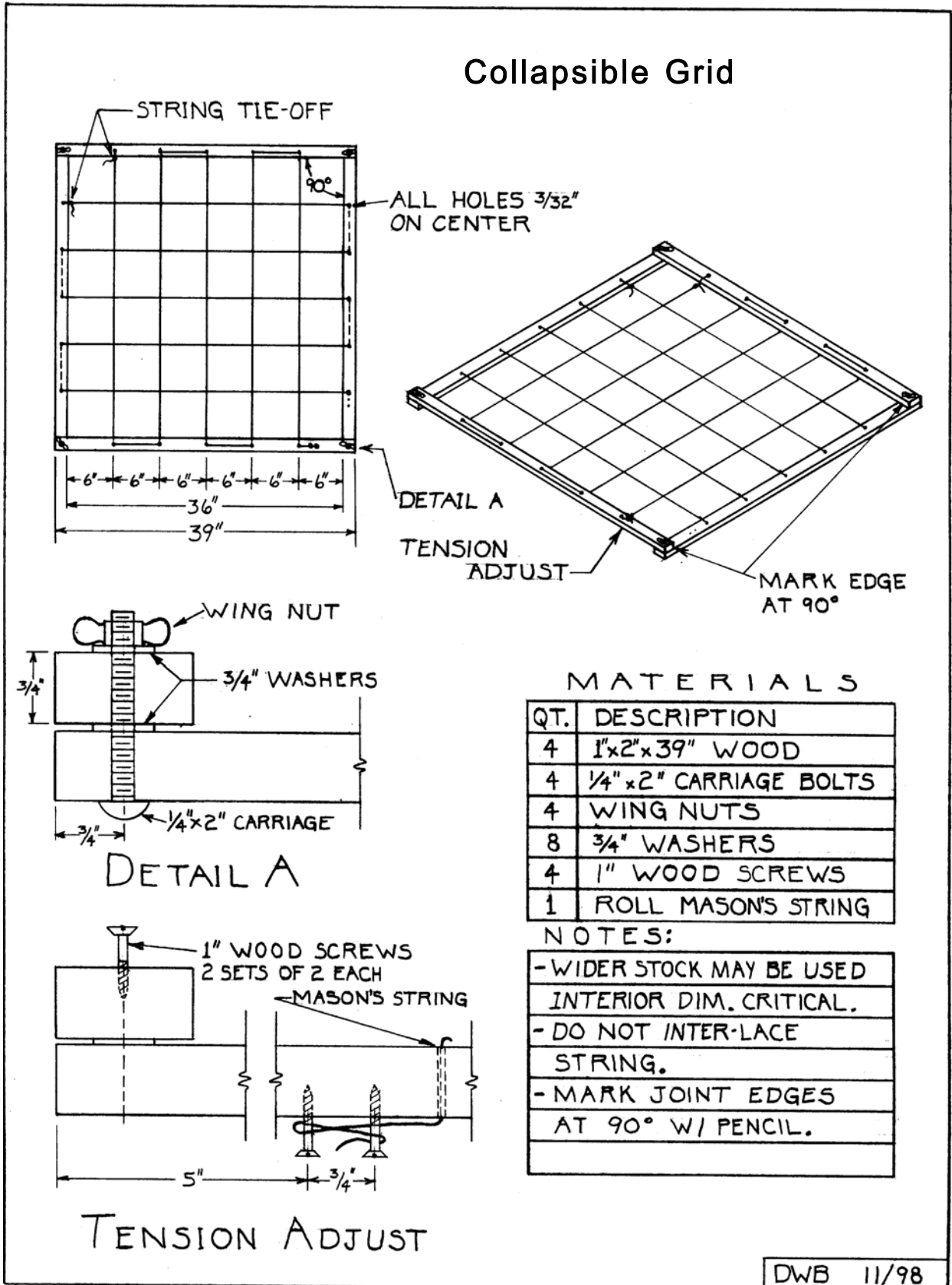
Acres in Field or Subfield	Required Minimum Number of Samples
0.1 - 10.0	3
10.1- 40.0	4
Add one additional sample for each additional 40.0 acres (or fraction thereof) in the field or subfield.	

7C Sampling Procedure

- C(1) Select the appropriate number of samples to be taken for the field size.
- C(2) Determine the number of live mint plants or percent of ground cover within each representative sample area. When skips are measured within 25 feet long row samples, use survey flags and a measuring tape with 1/10 foot increments.

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7D Collapsible grid frame (6 inch by 6 inch sectors; 9 square feet total inside area)



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8 UNDERWRITING REPORT / PRE-ACCEPTANCE INSPECTION / SELF-CERTIFICATION WORKSHEET

8A CONDITION OF ACCEPTANCE

An underwriting/pre-acceptance inspection/self-certification report must be completed within a two-week period before coverage begins. Insurance will attach on the date coverage begins, unless the acreage is inspected during the two-week period and it is determined that it does not meet insurability requirements.

The mint report serves three purposes. It is used: 1) To record the results of a pre-acceptance inspection; 2) By company underwriters to determine insurability of mint acreage; and 3) By insureds to self-certify acreage, stand adequacy, and stand age.

A(1) Pre-acceptance inspections will be completed by an authorized company inspector for year of application;
When mint was planted during the WCO insurance period; or
For any insurance period following the payment of an indemnity or a reported loss where the crop was determined not to have an adequate stand.

A(2) Self-certification reports must be completed and submitted by the insured prior to the date insurance attaches.

Insurance will not attach at the beginning of the insurance period on any mint acreage that does not have an adequate stand as established by the special provisions.

Insurance will not attach on any mint acreage that exceeds the maximum stand age contained in the age limitation statement of the special provisions.

For example:

The age limitation statement reads:

Age limitation: Insurance will not attach to any mint acreage of peppermint or scotch spearmint the fourth and succeeding crop years after the crop year of planting, or for native spearmint the ninth and succeeding crop years after the crop year of planting.

The insured plants peppermint during crop year 2007. The crop year of planting is 2007.

The fourth crop year after the crop year of planting is 2011; insurance will not attach for the 2011 crop year and succeeding crop years.

Insurance will not attach on any mint acreage that does not comply with the rotation requirements established by the special provisions.

Pre-acceptance inspections for the WCO must be completed after normal harvest time and

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by November 15. The insured must be notified by November 15 of any acreage inspected that is uninsurable. Self-certifications for the WCO must be completed by the insured by the date coverage begins (see crop provisions for applicable dates), unless an inspection is required.

Pre-acceptance inspections and self-certifications for Spring Coverage must be completed within the two-week period before coverage begins.

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8C Instructions for completing the Mint Underwriting Report/Pre-Acceptance Inspection/Self-Certification Worksheet

General Instructions

Attach the following:

CURRENT CROP YEAR AERIAL PHOTOGRAPH OR GLOBAL POSITIONING SYSTEM (GPS) MAP OF UNIT: For new insureds, new mint acreage, and unit structure changes; document field acres and locations on the aerial photograph or GPS map.

SPECIAL REPORT SHOWING ADEQUATE MINT STAND DETERMINATIONS: This is required for underwriting report and pre-acceptance purposes and suggested for self-certification purposes. Include all information and calculations used to determine adequate stand.

COPY OF ACTUAL PRODUCTION HISTORY REPORT (APH): Include the APH used for the insured crop year or production report for the previous crop year.

Itemized Instructions

Company Name: Name of company and agency servicing the contract.

1. Applicant Name: Name of the insured person.
2. State & County: Enter the state and county name and codes.
3. Agent Name: Enter the name, address, and phone number of the agent servicing the policy.
4. Policy Number: Enter the policy number from the most recent Policy Confirmation.
5. Crop Year: Enter the crop year the inspection or self-certification applies to.
6. Unit Number: Enter appropriate unit numbers.
7. Map Field ID: Enter the number or name of the field or unit corresponding to the aerial photograph of the acreage.
8. FSN Number: Enter the FSA Farm Serial Number (FSN), as applicable.
9. Acres to 10ths: Measure and record all acreage to tenths.
10. Type: Enter the three-digit type code from the actuarial documents.
11. Date Planted: Enter the date (Mo/Day/Yr) mint was initially planted.
12. Irrigated: Indicate whether or not the acreage is irrigated.
13. Stand Count Per Square Foot: Enter the stand determination results that apply to Spring Coverage.
14. WCO Percent Stand: Enter the stand determination results that apply to the WCO (if applicable).
15. Official Use Only: This column is used by an authorized company representative to accept or reject coverage on a field or unit based on stand determinations and age of mint stands.
16. Applicant or Self-Certifier Signature: Circle either Applicant or Self-Certifier, sign, and date.
17. Inspector: Signature of authorized company inspector performing the inspection and date completed.

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