

APPENDIX 3—CERTAIN ARTICLES SUBJECT TO THE SUPPLEMENTARY LICENSING PROVISIONS OF IMPORT REGULATION 1, REVISION 7, AND RESPECTIVE ANNUAL TARIFF-RATE IMPORT QUOTAS FOR 1995—Continued

Article by HTS Annual Note No.	Annual Supplementary quota (kilograms)
Edam and Gouda cheese, and cheese and substitutes for cheese, containing, or processed from, Edam and Gouda Cheese (Note 20)	210,000
Argentina	110,000
Czech Republic	100,000
Italian-Type cheese made from cow's milk (Romano made from cow's milk, Reggiano, Parmesano, Provolone, Provolette, Sbrinz, and Goya not in original loaves) and cheese and substitutes for cheese containing, or processed from, such Italian-type cheese, whether or not in original loaves (Note 21)	3,123,333
Argentina	1,890,000
Uruguay	750,000
Hungary	400,000
Romania	83,333
Swiss-Emmenthaler cheese with eye formation (Note 25)	800,000
Czech Republic	400,000
Hungary	400,000

Signed at Washington, D.C., on December 27, 1994.

Mike Espy,

Secretary of Agriculture.

[FR Doc. 95-298 Filed 1-3-95; 3:51 pm]

BILLING CODE 3410-10-P

Federal Crop Insurance Corporation

7 CFR Part 400

Subpart T—Federal Crop Insurance Reform Act of 1994; Regulations for Implementation

RIN 0563-AB11

AGENCY: Federal Crop Insurance Corporation.

ACTION: Interim rule.

SUMMARY: The Federal Crop Insurance Corporation ("FCIC") hereby amends its General Administrative Regulations located at 7 CFR part 400 by adding subpart T. The intended effect of this interim rule is to provide noninsured producers, policyholders and insurance companies the policies and regulations applicable to the Catastrophic Risk Protection Program and provide other changes in FCIC insurance programs to comply with the statutory mandates of the Federal Crop Insurance Act as amended by the Federal Crop Insurance Reform Act of 1994.

DATES: This rule is effective January 6, 1995. Written comments, data, and opinions on this rule will be accepted until close of business March 7, 1995 and will be considered when the rule is to be made final.

ADDRESSES: Written comments, data, and opinion on this interim rule should be sent to Diana Moslak, Regulatory and Procedural Development Staff, Federal Crop Insurance Corporation, USDA,

Washington, D.C. 20250. Hand or messenger delivery may be made to Suite 500, 2101 L Street, N.W., Washington D.C. Written comments will be available for public inspection and copying in the Office of the Manager, 2101 L Street, N.W., 5th Floor, Washington, D.C., during regular business hours, Monday through Friday.

FOR FURTHER INFORMATION CONTACT: For further information and a copy of the Regulatory Impact Analysis to the regulations for implementation of the Federal Crop Insurance Reform Act of 1994, contact Diana Moslak, Federal Crop Insurance Corporation, U.S. Department of Agriculture, Washington, D.C. 20250. Telephone (202) 254-8314.

SUPPLEMENTARY INFORMATION: This action has been reviewed under United States Department of Agriculture ("USDA") procedures established by Executive Order 12866 and Departmental Regulation 1512-1. This action constitutes a review as to the need, currency, clarity, and effectiveness of these regulations under those procedures. The sunset review date established for these regulations is December 1, 1999.

This rule has been determined to be "economically significant" for the purposes of Executive Order 12866, and therefore, has been reviewed by the Office of Management and Budget ("OMB").

A Regulatory Impact Analysis has been completed and is available to interested persons at the address listed above. In summary, the analysis finds that crop insurance reform generally is expected to result in net positive benefits to producers, taxpayers, and society. The effects on individual producers compared to payments under ad hoc disaster programs depends primarily on the farm program payment

yield compared to the farm's actual yield and market prices. In general, however, the reform is expected to result in less volatility of producer's incomes and lesser risk of no income due to adverse weather events. Rural communities and farmers will benefit from the certainty of payments in times of catastrophic yield losses. The Government and taxpayers will benefit from a single disaster protection program and consequent reduced Federal outlays. Although some producers (previous non-participants in crop insurance) will have an added burden to make application and report yields and acreage, the benefits in terms of greater risk protection outweigh the costs.

The information collection and record-keeping requirements set forth in this interim rule have been submitted to OMB for emergency clearance under 7 CFR part 402.

It has been determined under section 6(a) of Executive Order 12612, Federalism, that this rule does not have sufficient federalism implication to warrant the preparation of a Federalism Assessment. The provisions and procedures contained in this rule will not have a substantial direct effect on states or their political subdivisions, or on the distribution of power and responsibilities among the various levels of government.

Under the Regulatory Flexibility Act (5 U.S.C. § 605), this regulation will not have a significant impact on a substantial number of small entities. Producers will be able to certify to their historical production levels at the time of application based on existing records, or they may elect to base their insurance on assigned yields, which will not require maintenance of production records by the insurance agent. The

amount of data collected by the agent for new insureds is not greater than the amount of data collected for existing insureds. Insureds may elect to keep production records to increase the amount of production covered by insurance but such production is not required to participate in the program. The benefits in terms of risk reduction and protection from severe losses will out-weigh any record-keeping costs. Therefore, this action is determined to be exempt from the provisions of the Regulatory Flexibility Act and no Regulatory Flexibility Analysis was prepared.

This program is listed in the Catalog of Federal Domestic Assistance under No. 10.450.

This program is not subject to the provisions of Executive Order 12372 which require intergovernmental consultation with State and local officials. See the Notice related to 7 CFR part 3015, subpart V, published at 48 FR 29115, June 24, 1983.

The Office of the General Counsel has determined that these regulations meet the applicable standards provided in subsections 2(a) and 2(b)(2) of Executive Order 12778. The provisions of this rule will preempt state and local laws to the extent such state and local laws are inconsistent herewith. The administrative appeal provisions located at 7 CFR part 400, subpart J, and for catastrophic risk protection contracts of insurance delivered through local USDA offices, the National Appeal Division administrative appeal provisions under the Department of Agriculture Reorganization Act of 1994 must be exhausted before judicial action may be brought.

This action is not expected to have any significant impact on the quality of the human environment, health, and safety. Therefore, neither an Environmental Assessment nor an Environmental Impact Statement is needed.

This interim rule implements programs mandated by the amendments to the Federal Crop Insurance Act by the Federal Crop Insurance Reform Act of 1994. Those amendments required that the statutory changes be implemented for the 1995 crop year. All of the contract change dates and many of the sales closing dates for 1995 insured crops have passed or will soon pass. Many of the changes contained in these regulations are mandated by statute. Planting decisions for 1995 crops have been or will shortly be made and it is necessary that producers, lenders, and suppliers know the parameters and requirements of the program. Therefore, it is impractical and contrary to the

public interest to publish this rule for notice and comment prior to making the rule effective. However, comments are solicited for 60 days after the date of publication in the **Federal Register** and will be considered by FCIC before this rule is made final.

On October 13, 1994, the amendments to the Federal Crop Insurance Act made by the Federal Crop Insurance Reform Act of 1994, were effective. This regulation will provide the policy and procedures to carry out the insurance requirements of the Reform Act. A separate part will be issued to address noninsured assistance.

List of Subjects in 7 CFR Part 400, Subpart T

General administrative regulations, Federal Crop Insurance Reform Act of 1994, Insurance.

Interim Rule

For the reasons set out in the preamble, a new subpart T is added to 7 CFR part 400, effective for the 1995 and succeeding crop years, to read as follows:

PART 400—GENERAL ADMINISTRATIVE REGULATIONS

Subpart T—Federal Crop Insurance Reform Act of 1994, Insurance Implementation; Regulations for the 1995 and Subsequent Crop Years

Sec.	
400.650	Purpose.
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400.655	Administrative fees and waivers.
400.656	Eligibility for other program benefits.
400.657	Coverage for acreage that is prevented from being planted.
400.658	Transitional yield for forage or feed crops, 1995–1997 crop years.

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

§ 400.650 Purpose.

The Federal Crop Insurance Act as amended by the Federal Crop Insurance Reform Act of 1994 (the "Act") requires the Federal Crop Insurance Corporation ("FCIC") to implement a crop insurance program which offers several levels of insurance coverage for producers. These levels of protection include catastrophic risk protection, limited coverage and additional coverage insurance. This subpart provides notice of the availability of these new crop insurance options and establishes provisions and requirements for implementation of the insurance provisions of the Act. The regulations for the noninsured

assistance provisions of the Act will be published elsewhere in chapter IV.

§ 400.651 Definitions.

(a) *Additional coverage*—A plan of crop insurance providing a level of coverage equal to or greater than sixty-five percent (65%) of the approved yield indemnified at one-hundred percent (100%) of the expected market price or comparable coverage as established by FCIC.

(b) *Approved insurance provider*—A private insurance company, including their agents, that has been approved and reinsured by FCIC to provide insurance coverage to producers participating in the Federal crop insurance program.

(c) *Approved yield*—The average amount of production per acre obtained under FCIC's Actual Production History Program (7 CFR part 400, subpart G) using production records of the insured or yields assigned by FCIC. At least four crop years of yields must be averaged to obtain the approved yield.

(d) *Catastrophic risk protection endorsement*—The part of the crop insurance policy that contains provisions of insurance that are specific to catastrophic risk protection.

(e) *Catastrophic risk protection*—The minimal level of coverage offered by FCIC, which is required before a person may qualify for certain other United States Department of Agriculture ("USDA") program benefits. For the 1995 through 1998 crop years, such coverage will be equal to fifty percent (50%) of the approved yield indemnified at sixty percent (60%) of the expected market price, or a comparable coverage as established by FCIC. For the 1999 and subsequent crop years, such coverage will be equal to fifty percent (50%) of the approved yield indemnified at fifty-five percent (55%) of the expected market price, or a comparable coverage as established by FCIC.

(f) *Crop of economic significance*—A crop that has either contributed in the previous crop year, or is expected to contribute in the current crop year, ten percent (10%) or more of the total expected value of your share of all crops grown by the producer in the county. However, notwithstanding the preceding sentence, if the total expected liability under the catastrophic risk protection endorsement is equal to or less than the administrative fee required for the crop, such crop will not be considered a crop of economic significance.

(g) *FCIC*—The Federal Crop Insurance Corporation, a wholly owned Government Corporation within the

Consolidated Farm Services Agency, USDA.

(h) *Limited coverage*—A plan of insurance offering coverage that is equal to or greater than fifty percent (50%) of the approved yield indemnified at one hundred percent (100%) of the expected market price, or a comparable coverage as established by FCIC, but less than sixty-five percent (65%) of the approved yield indemnified at one hundred percent (100%) of the expected market price, or a comparable coverage as established by FCIC.

(i) *Limited resource farmer*—A producer or operator of a small or family farm, including a new producer or operator, with an annual gross income of less than \$20,000 derived from all sources of revenue for each of the prior two years and who demonstrates a need to maximize farm income. Notwithstanding the preceding sentence, a producer on a farm of less than 25 acres aggregated for all crops, where the producer derives a majority of the producer's gross income from the farm, but the producer's gross income from farming operations does not exceed \$20,000, will be considered a limited resource farmer.

(j) *Person*—An individual, partnership, association, corporation, estate, trust, or other legal entity, and wherever applicable, a state or a political subdivision or agency of a state.

(k) *Secretary*—The Secretary of the United States Department of Agriculture.

§ 400.652 Insurance availability.

(a) If sufficient actuarial data are available FCIC will offer catastrophic risk protection, limited, and additional coverage plans of insurance to indemnify persons for FCIC insured or reinsured crop loss due to loss of yield or prevented planting, if the crop loss or prevented planting is due to an insured cause of loss specified in the applicable crop insurance policy.

(b) Catastrophic risk protection coverage will be offered through approved insurance providers and through local offices of the Consolidated Farm Service Agency, USDA. Limited and additional coverage will only be offered through approved insurance providers unless approved insurance providers are not available.

(c) To obtain catastrophic risk protection coverage on a crop, a person must obtain catastrophic risk protection coverage for the crop on all insurable acreage in the county. Catastrophic risk protection coverage must be obtained on or before the sales closing date

designated by FCIC for the crop in the county.

(d) Effective for the 1995 crop year only, and only for catastrophic risk protection, notwithstanding any provision in any crop insurance policy, reinsured by FCIC, the sales closing dates will be as follows:

(1) For those crops for which insurance attached before January 1, 1995, the sales closing date will be the latest sales closing date for spring planted crops in the county as long as such sales closing date is not later than April 12, 1995;

(2) For those crops for which insurance attached after January 1, 1995, and have a sales closing date prior to February 15, 1995, the sales closing date will be February 15, 1995; and

(3) For all other spring planted crops, the sales closing date will remain as specified in the policy.

(e) For limited and additional coverage, in areas where insurance is not available for a particular agricultural commodity, FCIC may offer to enter into a written agreement with a person to insure the commodity, if the person has actuarially sound data relating to the production of the commodity that is acceptable to FCIC and if such written agreement is specifically allowed by the crop insurance regulations applicable to the crop.

(f) A person who made timely purchase of a crop insurance policy on a 1995 or subsequent crop before October 13, 1994, the date of enactment of the Federal Crop Insurance Reform Act of 1994, may continue with the purchased policy under the terms and conditions of that policy but will receive whatever benefits would be available under that policy if it had been purchased subsequent to the date of enactment. However, if the level of coverage is less than the coverage under the catastrophic risk protection coverage, the insured must either upgrade that coverage to at least catastrophic risk protection coverage or lose eligibility for certain farm program benefits as set out in § 400.656.

§ 400.653 Application and acreage report.

(a) To participate in catastrophic risk protection, limited, or additional coverage plans of insurance, a person must submit an application for insurance on or before the applicable sales closing date.

(b) In order to remain eligible for certain farm programs, as set out in § 400.656, a producer must obtain at least catastrophic risk protection coverage on all crops of economic significance if catastrophic risk protection is available. Notwithstanding

the requirement contained in § 400.653 (a), if the insured is not able to plant a crop for which coverage has been obtained, FCIC may, at its discretion, determine that conditions exist that would permit the person to insure alternative crops to those specified on the application. If FCIC determines that such conditions exist, the insured may insure the alternative crops by making application for catastrophic risk protection coverage on the alternative crops after the sales closing date but before the acreage reporting date for the alternative crops and paying the appropriate administrative fee. Limited or additional coverage is not available after the sales closing date.

(c) For catastrophic risk protection, limited, and additional coverage, FCIC may allow the insured to certify the insured's actual production history ("APH") yield. If FCIC permits certification of the APH yield by the insured, the insured must, at the request of FCIC or the approved insurance provider, provide verifiable records of acreage and production acceptable to FCIC for the years for which production and acreage were certified. If FCIC or the approved insurance provider determine that inadequate records exist to substantiate the certified yield, FCIC will, in addition to any civil fraud or criminal penalties which may exist for false certification, recalculate the APH yield using assigned yields for the crop years represented by the inadequate records.

(d) For all coverages including catastrophic risk protection, limited, and additional coverages, the insured must file a signed acreage report on or before the acreage reporting date.

§ 400.654 Coverage provided.

(a) The specific causes of loss insured against are designated in the crop insurance policy for the applicable crop.

(b) An indemnity paid to a producer may be reduced to reflect out-of-pocket expenses that were not incurred by the producer as a result of not planting, caring for, or harvesting the crop.

(c) Catastrophic risk protection.

(1) A person who is eligible to receive an indemnity under a catastrophic risk protection plan of insurance and is also eligible to receive benefits for the same loss under other USDA programs must elect the program from which they wish to receive benefits. Only one payment or program benefit will be allowed.

(2) Catastrophic risk protection must be elected on a crop basis unless the Catastrophic Risk Protection Endorsement allows individual crop types or varieties to be considered separate crops. However, any acreage of

an insured crop that is designated by FCIC as "high risk land" may be insured under catastrophic risk protection if limited or additional coverage is obtained for all insurable acreage of the insured crop in the county that is not designated as "high risk land"; *Provided that*, the insured executes the High Risk Land Exclusion Option under the limited or additional coverage policy. The catastrophic risk protection policy must be obtained from the same insurance provider from which the limited or additional coverage is obtained.

(3) Catastrophic risk protection may, on a commodity-by-commodity basis, be elected on an individual yield and loss basis, or, where offered, may be elected on an area yield and loss basis.

(4) Any person who has a bona fide insurable interest in a crop as an owner-operator, landlord, tenant, or share-cropper, will be eligible for catastrophic risk protection coverage.

(5) The Catastrophic Risk Protection Endorsement contains coverage limitations and exclusions, including but not limited to:

(i) Coverage is available by basic units only. A basic unit is all the acreage of the crop in the county in which the insured has a one-hundred percent (100%) crop share or all the acreage of the crop in the county owned by one person and operated by another person on a share basis (unless otherwise provided by the Catastrophic Risk Protection Endorsement);

(ii) No replant payments will be paid whether or not replanting of the crop is required under the policy;

(iii) No policy options or endorsements providing increased coverage over that provided under the catastrophic risk plan for that crop will be available unless such option or endorsement is specifically made applicable to catastrophic coverage by its terms;

(iv) The insured may not exclude coverage for hail and fire or High Risk Land; and

(v) Written Agreements are not available unless specifically allowed by the Catastrophic Risk Protection Endorsement.

(d) Limited and additional coverage.

(1) An insured who is eligible to receive an indemnity under a limited or an additional coverage plan of insurance and who is also eligible to receive benefits for the same loss under any other USDA program may receive benefits under both programs unless specifically limited by the crop insurance policy. However, the total amount received for the loss will not exceed the amount of the actual loss

sustained by the insured. The amount of the actual loss will be the difference between the fair market value of the production before and after the loss, as determined by the approved insurance provider based upon the insureds production records.

(2) Limited and additional coverage must be elected on a crop basis and cover all insurable acreage of the crop in the county in which the insured has a share unless:

(i) The applicable crop insurance policy allows the insured to purchase separate policies of insurance covering individual crop types or varieties. In such instances, protection may be elected on a crop type (as designated in the crop insurance policy) or variety basis. These individual crop types or varieties will be considered separate crops for insurance purposes, including the payment of administrative fees. (For example, if two grape varieties grown in California are insured under a catastrophic risk protection policy and two varieties are insured under an additional coverage policy, an administrative fee will be charged for each of the two (2) varieties under the catastrophic risk protection policy and an administrative fee will be charged for each of the two (2) varieties under the additional coverage policy. The same rationale would allow the insured the option to not insure a crop type or variety. However, failure of the insured to insure a crop type or variety which is determined to be a crop of economic significance would make the insured ineligible for certain other USDA programs.)

(ii) The insured executes the High Risk Land Exclusion Option for a limited or additional coverage policy. In such cases the insured may elect to insure the "high risk land" under a catastrophic risk protection policy. If both policies are in force, that acreage of the crop covered under the limited or additional coverage policy and the acreage of the crop covered under the catastrophic risk protection policy will be considered as separate crops for insurance purposes, including the payment of administrative fees.

(3) Limited or additional coverage may, on a commodity-by-commodity basis, be elected on an individual yield and loss basis, or, where offered, on an area yield and loss basis.

(4) Hail and fire coverage may be excluded from the covered causes of loss in a crop policy if additional coverage is elected.

(5) If a person purchases limited or additional coverage for a crop, the insured must purchase limited or additional coverage for all insurable

acreage of that crop in the county unless otherwise provided in this part or in the crop insurance contract.

§ 400.655 Administrative fees and waivers.

(a) Catastrophic risk protection and limited coverage.

(1) If the insured elects to obtain catastrophic risk protection or limited coverage, the insured must pay an administrative fee each year of fifty dollars (\$50.00) per crop, per county, not to exceed two hundred dollars (\$200.00) per county, and six hundred dollars (\$600) for all counties in which the insured has coverage. The insured must pay this administrative fee at the time of application for the first year, and by the acreage reporting date for all subsequent years that crop insurance coverage is in effect. Payment of an administrative fee will not be required if the insured files a bona fide zero acreage report on or prior to the acreage reporting date for any year except the year of application. If the administrative fee is not paid at the time of application, or by the acreage reporting date, whichever is applicable, the crop insurance contract will not be in effect for the crop year for which the fee is due and will terminate, and the person will not be eligible for certain USDA programs as set out in § 400.656.

(2) The administrative fee may not be waived unless the insured qualifies as a limited resource farmer.

(3) The administrative fee will be refunded if the insured has previously obtained catastrophic risk protection, or limited coverage, paid the administrative fee, and subsequently purchases additional coverage for that same crop in the same county on or before the sales closing date. Administrative fees will be refunded only if the insured has not purchased catastrophic risk protection and limited coverage in excess of the maximum administrative fee to be paid in the applicable situation.

(4) The administrative fee will not be refunded for the year of application even if the insured files a zero acreage report for that year.

(5) For limited coverage, the administrative fee is in addition to the premium amount.

(b) Additional Coverage.

(1) If additional coverage is elected, the insured must pay, in addition to the premium, an administrative fee of ten dollars (\$10) per crop, per county, each year in which crop insurance coverage remains in effect. The administrative fee is payable at the time insurance attaches. If the administrative fee is not paid by the termination date set out in the crop insurance contract, the crop

insurance contract will be voided and not have been in effect for the crop year for which the fee is due and will terminate, and the person failing to pay the fee will not be or have been eligible for certain other USDA program benefits as set out in § 400.656 and any of those benefits received for the crop year must be refunded.

(2) The administrative fee for additional coverage is not refundable and may not be waived.

(c) When obtaining catastrophic risk protection, limited, or additional coverage, an insured must provide information regarding crop insurance coverage on any crop previously obtained at any other local USDA office or from an approved insurance provider, including the date such insurance was obtained, and the amount paid in administrative fees. If the insured has paid in excess of the maximum allowable amount in administrative fees, the insured will receive a refund of the excess fees paid from the local USDA office or from the approved insurance provider that collected the excess amount.

§ 400.656 Eligibility for other program benefits.

The insured must obtain at least the catastrophic risk protection level of coverage for each crop of economic significance in the county in which the insured has an interest, if insurance is available in the county for the crop, to be eligible for:

(a) Price support and production adjustment programs, including tobacco, rice, extra long staple cotton, upland cotton, feed grains, wheat, peanuts, oilseeds, and sugar;

(b) Loans or any other USDA-provided farm credit including guaranteed and direct farm ownership loans, operating loans, and emergency loans under the Consolidated Farm and Rural Development Act; and

(c) The Conservation Reserve Program.

§ 400.657 Coverage for acreage that is prevented from being planted.

(a) 1994 crop year prevented planting for all crops of wheat, feed grain, cotton, and rice:

(1) For the 1994 crop year only, an insured may receive compensation for acreage that was prevented from being planted due to major, widespread flooding in the Midwest, or excessive ground moisture, that occurred prior to the spring sales closing date for the 1994 crop year.

(2) To be eligible for compensation the insured must have:

(i) Purchased a crop insurance policy containing prevented planting

provisions prior to the spring sales closing date for the 1994 crop year;

(ii) Had a reasonable expectation of planting the insured crop on acreage that was eligible for prevented planting coverage under the terms of the crop insurance contract, (if it is determined that the acreage eligible for the prevented planting coverage under the terms of the crop insurance policy would have drained sufficiently to plant the crop except for additional moisture that occurred in the spring, the insured will be assumed to have had a reasonable expectation of planting the crop absent some other intervening cause); and

(iii) Participated in a conserving use program established for the 1994 crop of wheat, feed grains, upland cotton, or rice established under the Agricultural Act of 1949, whichever is applicable.

(3) FCIC will pay as compensation under the prevented planting provisions of the crop insurance policy, the difference between:

(i) The amount of any prevented planting payment that would have been due under the prevented planting provision of the 1994 crop year crop insurance policy (prevented planting indemnity less premium); and

(ii) The amount paid under the conserving use program for the same crop and acreage.

(b) 1994 crop year prevented planting for oilseeds:

(1) If the insured satisfies the requirements of section (a)(2) (i) and (ii), the insured will be eligible for a prevented planting payment on the oil seed crop.

(2) FCIC will pay as compensation under this prevented planting provision the amount payable under the prevented planting provision of the applicable 1994 crop year crop insurance policy (prevented planting indemnity less premium).

(c) 1995 and succeeding crop year prevented planting coverage:

Effective for the 1995 and subsequent crop years, the insurance period for prevented planting for those crop insurance policies containing prevented planting coverage shall be extended so that prevented planting coverage begins:

(1) On the sales closing date for the insured crop in the county for the crop year the application for insurance is accepted; or

(2) For any crop year following the crop year the application for insurance is accepted, or for any crop year the insurance policy is transferred to a different insurance provider, on the sales closing for the insured crop in the county for the previous crop year, provided continuous coverage has been

in effect since that date. *For example:* If the insured makes application and purchases a corn crop insurance policy for the 1995 crop year, prevented planting coverage will begin on the 1995 sales closing date for corn in the county. If the corn policy remains in effect for the 1996 crop year (is not terminated or cancelled during or after the 1995 crop year), or is transferred to a different insurance provider, prevented planting coverage for the 1996 crop began on the 1995 sales closing date.

§ 400.658 Transitional yields for forage or feed crops for the 1995 through 1997 crop years

(a) For the 1995 through the 1997 crop year, insureds who produce feed or forage may be eligible for an adjustment in the assigned yield available under § 400.55(b)(1) if:

(1) The feed or forage is primarily for on-farm use in a livestock, dairy, or poultry operation; and

(2) The insured derives at least fifty percent (50%) of the insured's net farm income from the livestock, dairy, or poultry operation.

(b) Insureds that qualify under (a) of this section will receive an assigned yield, if required, under § 400.55(b)(1) of 80 percent of the T or D-Yield.

Done in Washington, D.C., on December 21, 1994.

Suzette Dittrich,

Acting Manager, Federal Crop Insurance Corporation.

[FR Doc. 95-358 Filed 1-3-95; 3:38 pm]

BILLING CODE 3410-08-U

7 CFR Part 402

RIN 0563-AB09

Catastrophic Risk Protection Endorsement

AGENCY: Federal Crop Insurance Corporation.

ACTION: Interim rule.

SUMMARY: The Federal Crop Insurance Corporation ("FCIC") hereby adds a new part 402 to chapter IV of title 7 of the Code of Federal Regulations ("CFR"). The intended effect of this interim rule is to provide a catastrophic risk protection plan of insurance, the lowest level of coverage required to be purchased by a producer to be eligible for certain other agricultural farm program benefits, to comply with statutory mandates of the Federal Crop Insurance Act as amended by the Federal Crop Insurance Reform Act of 1994.

DATES: This rule is effective January 6, 1995. Written comments, data, and