(a) Appraised production determined in accordance with subsections 11(c)(1) (i) and (ii) of the Small Grains Crop Provisions;

(b) Harvested production and potential unharvested production that meets, or would if properly handled, meet: (1) Tolerances established by the Food and Drug Administration or other public health organization of the United States for substances or conditions, including mycotoxins, that are identified as being injurious to human or animal health; and (2) The following quality standards, as applicable:

	Six-rowed malting barley	Two-rowed malting barley
Sprout damaged Injured by frost	65.0% minimum 10.0% maximum 95.0% minimum 4.0% maximum 5.0% maximum 0.4% maximum 1.0% maximum	14.0% maximum. 75.0% minimum. 10.0% maximum. 95.0% minimum. 4.0% maximum. 5.0% maximum. 0.4% maximum. 5.0% maximum. 0.4% maximum. 0.4% maximum.

(c) Harvested production that does not meet the quality standards contained in subsection 4(b) of this option, but is accepted by a buyer for malting purposes.

(d) No reduction in value will be allowed for moisture content; damage due to uninsured causes; costs or reduced value associated with drying, handling, processing, or quality factors other than those contained in subsection (b) of this section; or any other costs associated with normal handling and marketing of malting barley. All grade and quality determinations must be based on the results of objective tests. No indemnity will be paid for any loss established by subjective tests. We may obtain one or more samples of the insured crop and have tests performed at an official grain inspection location established under the Grain Standards Act to verify the result of any test. In the event of a conflict in the test results, our results will be used to determine the amount of production to count. If failure to meet the quality standards is due to insurable causes, the quantity of such production may be reduced for quality deficiencies by:

(1) Adding the maximum barley price election under the Small Grains Crop Provisions and the maximum additional value price;

(2) Dividing this sum into the value per bushel of the damaged production; and

(3) Multiplying the resulting factor (not to exceed 1.0) by the number of bushels of damaged production.

5. No claim under this option may be settled until the earlier of:

(a) The date final disposition of production from all acreage planted to approved malting barley varieties is completed; or

(b) May 31 of the calendar year immediately following the calendar year in which the insured malting barley is normally harvested. Production to count for malting barley that has not been sold by this May 31 date will include all production that meets the quality specifications contained in subsection 4(b) of this option.

The limitations specified in subsections 5(a) and (b) will not apply when all production from the insured malting barley unit grades U.S. No. 4 or lower in accordance with the grades and grade requirements for the subclasses Six-rowed barley, Two-rowed barley, and the class Barley in accordance

with the Official United States Standards for Grain.

6. In the event of loss or damage covered by this policy, we will settle your claim by:

(a) Multiplying the insured acreage by the malting barley production guarantee per acre;

(b) Multiplying the result by your elected additional value price per bushel;

(c) Multiplying the number of bushels of production to count by your elected additional value price per bushel; and

(d) Subtracting the result of step (c) from the result of step (b).

7. For example, assume you insure two units of barley under the Small Grains Crop Provisions in which you have a 100% share and that are planted to approved malting varieties. Assume that each unit contains 40 acres. Further assume that your production guarantee under the Small Grains Crop Provisions is 30 bushels per acre or a total of 2,400 bushels. Your malting barley unit production guarantee is limited to 2,100 bushels by subsection 2(b). A loss causes the total production to count for all units under the Small Grains Crop Provisions to drop to 1,000 bushels, none of which meet the quality standards covered by this option. The indemnity for the malting barley unit would be based on a combined production and quality loss of 2,100 bushels. The indemnity would be paid at the additional value price per bushel. If the price were \$0.40 per bushel, the indemnity for the malting barley unit would be \$840.00 (2,100 × \$0.40). The basic loss is paid under the Small Grains Crop Provisions for feed barley.

Option B—(for Contracted Production)

This option provides coverage for malting barley production losses at a price per bushel greater than that available under the Small Grains Crop Provisions.

1. To be eligible for coverage under this option you must provide us a copy of your malting barley contract by the acreage reporting date. Only production or acreage under contract is covered by this option (B). The contract must be in place and effective before the acreage reporting date.

2. Your malting barley production guarantee per acre will be the lesser of:

(a) The production guarantee for feed barley for acreage planted to approved malting varieties calculated in accordance with the Small Grains Crop Provisions and APH regulations; or

(b) The number of bushels obtained by:

(1) Dividing the number of bushels of contracted production by the number of acres planted to approved malting varieties in the current crop year; and

(2) Multiplying the result by the percentage for the coverage level you elected for barley covered under the Small Grains Crop Provisions.

3. The additional value price per bushel will not exceed 200% of the maximum additional value price shown on the Special Provisions and will be further limited to:

(a) The difference between the maximum price election available for feed barley under the Small Grains Crop Provisions and the established sale price contained in the malting barley contract for production that meets the quality standards required by such contract (without regard to discounts or incentives) if the sale price is a fixed dollar amount established on or before the acreage reporting date; or

(b) The premium amount per bushel contained in the malting barley contract for production that meets the quality specifications required by such contract (without regard to discounts or incentives) if the sale price is based on a future market price for feed barley plus a premium amount for malting barley production.

4. The amount of production to count against your malting barley production guarantee will include all:

(a) Appraised production determined in accordance with subsection 11(c)(1) (i) and (ii) of the Small Grains Crop Provisions;

(b) Either harvested production and potential unharvested production that meets, or would if properly handled meet, the minimum acceptance standards contained in the malting barley contract for protein, plump kernels, thin kernels, germination, blight damage, mold injury or damage, sprout damage, frost injury or damage, and mycotoxins or other substances or conditions identified by the Food and Drug Administration or other public health organization of the United States as being injurious to human or animal health, or the following quality standards as applicable: