



United States Department of Agriculture  
Risk Management Agency

February 2005

## 2005 COMMODITY INSURANCE FACT SHEET

# Peanuts

## North Carolina

### Crop Insured

Peanuts planted for the purpose of marketing as farmers' stock peanuts and that are of a peanut type designated as being insurable may be insured under the peanut policy. Unless allowed by the special provisions, the policy does not cover peanuts that are:

- Planted for the purpose of harvesting as green peanuts; or
- Inter-planted with another crop or into an established grass or legume.

No-till or minimum-till peanuts are insurable provided that the vegetation into which the peanuts are to be planted is killed with an approved herbicide two to three weeks prior to planting.

### Counties Available

Peanuts are insurable in Beaufort, Bertie, Bladen, Chowan, Columbus, Edgecombe, Gates, Greene, Halifax, Hertford, Johnston, Martin, Nash, Northampton, Pasquotank, Pender, Perquimans, Pitt, Sampson, Tyrrell, Washington, Wayne, and Wilson counties. Peanuts may be insurable in other counties if specific criteria are met. Contact a crop insurance agent for more details.

### Causes of Loss

Adverse weather conditions<sup>1</sup>  
 Disease<sup>2</sup>  
 Failure of irrigation water supply<sup>3</sup>  
 Fire  
 Insects<sup>2</sup>  
 Wildlife

<sup>1</sup>Natural perils such as hail, frost, freeze, drought, and excess moisture.  
<sup>2</sup>Does not include damage to insufficient or improper application of pest or disease control measures. <sup>3</sup>If due to insurable causes.

### Insurance Period

Coverage begins when the crop is planted and ends at the earliest of: (1) total destruction of the crop, (2) removal of peanuts from the field, (3) abandonment of the crop, (4) final adjustment of a loss, or (5) November 30, 2005.

### Reporting Requirements

**Acreage Report**— You must timely report to your insurance agent all acres of the crop in which you have a share.

### Important Dates

Sales Closing .....	February 28, 2005
Initial Planting* .....	April 16, 2005
Final Planting** .....	May 31, 2005
Acreage Report Due.....	June 30, 2005

\*April 10 and May 25\*\* in Bladen, Columbus, Pender, and Sampson counties.

### Definitions

**Production Guarantee**— For the 2005 crop year, pounds guaranteed will be determined by using a combination of your reported production and your previous 10-year average multiplied by the coverage level percentage you elect. See a crop insurance agent for changes in the program.

**Price Election**— The price used to calculate your premium or indemnity. Price elections are posted on the RMA website at:

<http://www3.rma.usda.gov/apps/pricesinquiry/>

### Duties in the Event of Damage or Loss

- (1) Protect the crop from further damage by providing sufficient care; (2) notify your agent within 72 hours of your initial discovery of damage (but not later than 15 days after the end of the insurance period); and (3) leave representative samples intact for each field of the damaged unit.

### Price Election

\$.188 per pound

## Coverage Levels and Premium Subsidies

Coverage level options range from 50 to 75 percent of your average APH yield and are subsidized as shown in the table below. As an example, an average peanut yield of 3000 pounds per acre would result in a guarantee of 2250 pounds per acre at the 75-percent coverage level. From the table, if you selected the 75-percent coverage level, your premium share would be 45 percent of the base premium:

Item	Percent					
Coverage Level	50	55	60	65	70	75
Premium Subsidy	67	64	64	59	59	55
Your Premium Share	33	36	36	41	41	45

Catastrophic (CAT) coverage is fixed at 50% of average yield and 55 percent of the price election. CAT is 100-percent subsidized with no premium cost to you except for an administrative fee of \$100, regardless of the acreage.

## Insurance Units

Your insurable acreage will be grouped into one or more units in order to establish the approved yield, calculate a guarantee, and determine any indemnity.

## Replant Provisions

*(Not available under catastrophic coverage).*

A replanting payment is allowed if the crop is damaged by an insurable cause to the extent that the remaining stand will not produce at least 90% of your production guarantee and it is practical to replant. The replanting payment per acre will be the lesser of: (1) the actual cost to replant per acre; (2) the quota price election multiplied by 20 percent of your per acre guarantee; or (3) \$80.00 per acre.

## Late and Prevented Planting

These provisions provide a reduced amount of protection on acreage that is planted late or that cannot be planted at all due to insurable causes. Please consult a crop insurance agent for details.

## Loss Example

This example is based on peanuts in Halifax county, NC, non-irrigated average yield of 3050 pounds per acre, 75-percent coverage level, and one basic unit.

3050	Pounds per acre average yield
<u>x .75</u>	Coverage level percentage
2288	Pounds per acre guarantee
<u>- 688</u>	Pounds per acre produced
1600	Pounds per acre loss
<u>x \$.1880</u>	Price election
\$301	Gross indemnity per acre
<u>- \$17</u>	Estimated premium per acre (varies by county)
<b>\$284</b>	<b>Net indemnity per acre</b>

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