



United States Department of Agriculture
Risk Management Agency

April 2005

2005 COMMODITY INSURANCE FACT SHEET

Peanuts

Virginia

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 Brunswick, Chesterfield, Dinwiddie, Greensville, Isle of Wright, Prince George, Southampton, Surry, Sussex, and Suffolk City counties. Peanuts in other counties may be insurable by written agreement if specific criteria are met. Contact an agent for more details.

Causes of Loss

Adverse weather conditions¹
 Failure of irrigation water supply²
 Fire
 Insects³
 Plant disease³
 Wildlife

¹Natural perils such as hail, frost, freeze, drought, and excess moisture. ²If caused by an insured peril during the insurance period. ³Does not include damage due to insufficient or improper application of pest or disease control measures.

Insurance Period

Coverage usually begins when the crop is planted and ends at the earliest of:

- (1) total destruction of the crop, removal of peanuts from the field, (3) abandonment of the crop, (4) final adjustment of a loss, (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	March 15, 2005
Initial Planting	April 11, 2005
Final Planting.....	June 10, 2005
Acreage Report Due.....	June 30, 2005

Definitions

Production Guarantee— For the crop year, pounds guaranteed will be determined by using a combination of your reported production and your previous ten-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: **\$188 per pound for 2005**

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.

Coverage Levels and Premium Subsidies

Coverage level options range from 50 to 75 percent of your average yield and are subsidized as shown in the table below. As an example, an average peanut yield of 3000 pounds per acre results in a guarantee of 2250 pounds per acre at the 75-percent coverage level.

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 percent 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 percent 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% 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 non-irrigated average yield of 3050 pounds per acre, 75-percent coverage level, and one basic unit.

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

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