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Department of
Agriculture



Federal Crop
Insurance
Corporation



Risk Management
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Product
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FCIC-25370
(11-2010)
FCIC-25370-1
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PREVENTED PLANTING LOSS ADJUSTMENT STANDARDS HANDBOOK

2012 and Succeeding Crop Years

**UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250**

TITLE: PREVENTED PLANTING LOSS ADJUSTMENT STANDARDS HANDBOOK	NUMBER: FCIC-25370 (11-2010) FCIC-25370-1 (08-2011) FCIC-25370-2 (02-2012)
EFFECTIVE DATE: 2012 Succeeding Crop Years	ISSUE DATE: February 16, 2012
SUBJECT:	OPI: Product Administration and Standards Division
Provides the procedures and instructions for administering the Prevented Planting Provisions	APPROVED: February 16, 2012 /s/ Tim B. Witt Deputy Administrator for Product Management

REASONS FOR AMENDMENT

Major Changes: See changes or additions in text which have been **highlighted**. Three stars (***) identify where information has been removed.

1. **Section 4 G (11) (b)** – Corrected the answer on the last line of the example on page 32 of this subsection.

- (a) There has been a change in the availability of inputs since the crop was last planted that could affect the insured's ability to plant and produce the insured crop;
 - (b) It is determined that the insured has insufficient inputs to plant the total number of insured crop acres (e.g., the insured will not receive a prevented planting payment if the insured has sufficient inputs to plant only 80 acres but the insured has already planted 80 acres and is claiming prevented planting on an additional 100 acres); or
 - (c) The insured's planting practices or rotational requirements show the acreage would have remained fallow or been planted to another crop;
- (10) Based on an irrigated practice production guarantee or amount of insurance unless adequate irrigation facilities were in place to carry out an irrigated practice on the acreage prior to the insured cause of loss that prevented the insured from planting. **Acreage with an irrigated practice production guarantee will be limited to the number of acres allowed for the irrigated practice within the eligible acres determined as described in subsections 4 F (3). The insured must have irrigated within the same crop year, the crop claimed as PP irrigated practice and any insured crop from which remaining irrigated acres are used to make the PP payment. Refer to examples in section 11 E of this handbook.**
- (11) Of a crop, type, or variety that the insured did not plant or has not received a PP insurance guarantee in at least one of the four most recent crop years¹;
- (a) Types for which separate projected prices or price elections, as applicable, amounts of insurance, or production guarantees are available must be included in the insured's APH database in at least one of the four most recent crop years¹ (Crops for which the insurance guarantee is not based on APH must be reported on the insured's acreage report in at least one of the four most recent crop years¹) except as allowed in section 4 F (3) above.
 - (b) The PP payments will be limited based on a specific crop type to the number of acres allowed for that crop type as specified in section 4 F above and herein. When a policyholder has eligibility for multiple types within a crop and the eligibility for all types within the crop has been exhausted, acreage borrowed from another crop for which the insured has remaining eligible PP acres will be used. The crop used will be the insured crop that would have the closest PP payment to the last PP payment amount used for the crop with multiple types (e.g., the PP payment and premium will be based on the type rolled to if the crop rolled to results in a lower PP payment) and continues on in descending order by per-acre PP guarantee. This insures a policyholder will not be paid a higher payment than previously paid when acres are borrowed from another crop.

Example: The insured's crop history for the four most recent crop years, along with each crop's per-acre PP guarantee is:

Crop	Drk. Red Kid. Beans	Navy Beans	Spring Wheat	Corn
Eligible PP Acres	25	25	50	50
PP Guar./Acre	\$399	\$336	\$326	\$638

¹ Crop year as defined in the applicable crop provisions

The insured reported 125 PP acres of dark red kidney beans (kidney beans) on his/her acreage report. The insured is eligible for 125 acres of PP since due to an insured cause, the insured was prevented from planting 125 acres of dry beans and there are 125 acres of eligible PP acres remaining. However, the PP payment would first be based on the remaining eligible bean type acres, followed by acres from the crop with a PP payment most similar to the previously used crop. In this case, the 25 acres and payment from the kidney beans would be used first, followed by remaining bean types with the most similar payment to the kidney beans. Since the 25 acres of navy beans are the only other type of dry beans remaining, those acres are used next (premium and PP payment will be paid as navy beans since it is lower than the kidney beans). This is then followed by the crop with the most similar payment to navy beans, which is Spring Wheat (The premium and PP payment for the 50.0 acres claimed as PP kidney beans will be paid as spring wheat since it is lower than navy beans). The remaining 25 acres claimed as PP kidney beans will use the eligible corn acres since it is the only crop with eligible acres remaining, but the premium and PP payment will be paid as **navy beans** since it is lower than the corn PP payment.

- (c) Refer to section 11 E for other examples of using remaining eligible acres of another type.
- (12) When wheat acreage is short-rated (less than a full crop year coverage and premium), such acreage is not eligible for a PP payment for wheat, nor is it eligible for a PP payment for another crop unless it qualifies under “double cropping” provisions of the PP section of the policy. The insured short-rated acres reported on the acreage report in any of the four most recent crop years are used in the determination of the maximum number of eligible PP acres; or
- (13) If a cause of loss has occurred that may prevent planting at the time:
 - (a) The insured leased the acreage (except acreage the insured leased the previous crop year and continues to lease in the current crop year);
 - (b) The insured bought the acreage;
 - (c) The acreage is released from a USDA program which prohibits harvest of a crop;
 - (d) The insured requested a written agreement to insure the acreage; or
 - (e) The insured acquired the acreage through means other than lease or purchase (such as inherited or gifted acreage).

H. PP COVERAGE FOR SPRING CROPS INTENDED TO FOLLOW A FAILED FALL CROP

An insured may be eligible for a PP guarantee for a spring-planted crop that was intended to be planted, even though a fall-planted crop had been planted on the acreage, if the acreage has a history of double-cropping, or if all of the following apply:

