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# PREVENTED PLANTING STANDARDS HANDBOOK

## 2016 and Succeeding Crop Years



**PREVENTED PLANTING STANDARDS HANDBOOK**

**RISK MANAGEMENT AGENCY  
KANSAS CITY, MO 64133**

<b>TITLE: PREVENTED PLANTING STANDARDS HANDBOOK</b>	<b>NUMBER: FCIC-25370 FCIC-25370-1 FCIC-25370-2</b>
<b>EFFECTIVE DATE: 2016 Succeeding Crop Years</b>	<b>ISSUE DATE: December 30, 2015</b>
<b>SUBJECT:</b>  <b>Provides the procedures and instructions for administering the Prevented Planting Provisions</b>	<b>OPI: Product Administration and Standards Division</b> <b>APPROVED:</b>  <b>Tim B. Witt /s/ Jason Albright, for  Deputy Administrator for Product Management</b>

**REASONS FOR AMENDMENT**

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

1. Paragraph 26 C (2) D (1), page 18: Replaced B1 with B.
2. Paragraph 41 (1) (c) & (d), page 31: Moved footnote to clarify.
3. Paragraph 56 C, page 50: Revised example to accurately reflect the basic provisions.
4. Paragraph 82 E, Example 5, page 72: Revised example to accurately reflect the basic provisions.

**PREVENTED PLANTING STANDARDS HANDBOOK**

**CONTROL CHART**

	Prevented Planting Standards Handbook						
	TP Page(s)	TC Page(s)	Text Page(s)	Exhibit Number	Exhibit Page(s)	Date	Directive Number
Remove	1-2		17-18 31-32 49-50 71-72			08-2015 09-2014 09-2014 08-2015 08-2015	FCIC-25370-1 FCIC-25370 FCIC-25370 FCIC-25370-1 FCIC-25370-1
Insert	1-2		17-18 31-32 49-50 71-72			12-2015	FCIC-25370-2
Current Index	1-2	1-2	1-12 13-14 15-16 17-18 19-28 29-30.2 31-32 33-48 49-50 51-56 57-58 59-65 65-70 71-72 73-88	1-2 2-6	89-90 91-99	12-2015 09-2014 09-2014 08-2015 09-2014 12-2015 09-2014 08-2015 12-2015 09-2014 12-2015 09-2014 08-2015 09-2014 08-2015 12-2015 09-2014 08-2015 09-2014	FCIC-25370-2 FCIC-25370 FCIC-25370 FCIC-25370-1 FCIC-25370 FCIC-25370-2 FCIC-25370 FCIC-25370-1 FCIC-25370-2 FCIC-25370 FCIC-25370-2 FCIC-25370 FCIC-25370-1 FCIC-25370 FCIC-25370-1 FCIC-25370-2 FCIC-25370 FCIC-25370-1 FCIC-25370

**FILING INSTRUCTIONS**

The handbook pages listed in the Control Chart above under the “Insert” heading replace such pages in the FCIC-25370-1H, Prevented Planting Loss Adjustment Standards Handbook, dated August 7, 2015. This handbook is effective upon approval and until obsoleted.

# PREVENTED PLANTING STANDARDS HANDBOOK

## TABLE OF CONTENTS

**PAGE NO.**

### **PART 1 GENERAL INFORMATION AND RESPONSIBILITIES**

1	General Information.....	1
2	AIP Responsibilities .....	1
3-10 (Reserved)		

### **PART 2 GENERAL PP INFORMATION**

11	PP Provisions .....	2
12	Duties in Event of PP.....	2
13	Transfer of Coverage and Right to Indemnity.....	3
14	Acreage Sold but Insured Retains Right to PP payment .....	3
15-20 (Reserved)		

### **PART 3 PP COVERAGE AND ELIGIBLE ACREAGE**

21	Eligible Crops .....	4
22	Insurance Period .....	4
23	Criteria for PP Payments .....	5
24	Perils Covered by PP.....	7
25	PP Coverage Level Percentages .....	13
26	Eligible Acres .....	14
27	Acreage Which Is Not Eligible for PP Coverage .....	23
28	PP Coverage for Spring Crops Intended to Follow a Failed Fall Crop.....	27
29	PP Coverage When There Is Pasture or Forage .....	28
30	PP Coverage for an Intended Fall-Planted or Spring-Planted Crop Following a Spring-Planted Crop from the Prior Year.....	29
31	PP Coverage for a Spring-Planted Crop Following a Fall-planted Crop in the Same Crop Year .....	29
32	Acceptable Cover Crops.....	30
33-40 (Reserved)		

### **PART 4 PP PAYMENT REDUCTION DUE TO SECOND CROP, COVER CROP, OR VOLUNTEER CROP**

41	First Insured Crop Prevented from Being Planted and Second Crop or Cover Crop .....	31
42	Additional Information Regarding Reduction When Acreage is Rented (Leased) .....	33
43	PP Payment as it Relates to Double-Cropping History .....	34
44	Revised Acreage Reports Due to Change in Status of a Second Crop or Disposition of Second Crop Acreage .....	38
45	Loss Adjustment Involving First/Second Crop Acreage .....	38
46-50 (Reserved)		

**PREVENTED PLANTING STANDARDS HANDBOOK  
TABLE OF CONTENTS**

**PAGE NO.**

**PART 5 ACREAGE REPORTING**

51	Reporting PP Acreage.....	40
52	Acreage Reporting Date .....	43
53	Premium.....	43
54	Intended Acreage Report .....	44
55	Misreported PP Information on the Acreage Report or Failure to Report Any PP acres for a Crop on the Acreage Report.....	46
56	Revising Acreage Reports .....	47
57-60	(Reserved)	

**PART 6 FIELD INSPECTIONS**

61	General Field Inspection Information.....	51
62	When Field Inspections Are to Be Done .....	51
63-70	(Reserved)	

**PART 7 CLAIMS**

71	Replanting Payment Claim Eligibility .....	53
72	General PP Payment Claim Information .....	53
73	How PP Affects APH .....	55
74	PP Payment Determination.....	55
75	PP Payment Calculation .....	57
76	Unit Guarantee for the Claim .....	58
77	Multiple PP Payments.....	58
78	Finalizing Claims.....	58
79-80	(Reserved)	

**PART 8 VERIFYING ELIGIBLE PP ACREAGE**

81	Cause of Loss Timing and Carry-Over Insured Examples .....	60
82	General Verification Instructions and Examples.....	65
83	Determining When Planted Acres of a Crop Will Reduce Eligible PP Acres.....	73
84	Prevented from Planting – Not Enough Eligible Acreage for the Crop .....	75
85-90	(Reserved)	

**EXHIBITS**

1	Acronyms and Abbreviations .....	89
2	Definitions .....	90
3	Irrigated Practice Guidelines .....	92
4	First Crop/Second Crop Examples .....	96
5	Impacts of a Cover Crop on PP Eligibility and Amount of PP Payment .....	98
6	Listing of Relevant Final Agency Determinations .....	99

# PART 1 GENERAL INFORMATION AND RESPONSIBILITIES

## 1 General Information

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### A. Purpose and Objective

The RMA issued loss adjustment standards for all eligible crops are the official standard requirements for adjusting losses in a uniform and timely manner. The RMA issued standards for prevented planting and CY are in effect as of the signature date for this handbook located at [www.rma.usda.gov/handbooks/25000/index.html](http://www.rma.usda.gov/handbooks/25000/index.html).

This handbook remains in effect until superseded by reissuance of either the entire handbook or selected portions (through amendments, bulletins, or FADs). If amendments are issued for a handbook, the original handbook as amended shall constitute the handbook. A bulletin or FAD can supersede either the original handbook or subsequent amendments.

### B. Related Handbooks

The following table identifies handbooks that shall be used in conjunction with this handbook.

Handbook	Relation/Purpose
DSSH	Provides the form standards and procedures for use in the sales and service of crop insurance contracts.
LAM	Provides overall general loss adjustment (not crop-specific) process.

- (1) Terms, abbreviations, and definitions general (not crop specific) to loss adjustment are identified in the LAM.
- (2) Terms, abbreviations, and definitions specific to prevented planting and this handbook are in exhibits 1 and 2, herein.

## 2. AIP Responsibilities

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### A. Utilizing these Handbook Standards

All AIPs will utilize these standards for loss adjustment and loss training for the applicable CY. These standards which include PP claims completion instructions supplement the crop-specific form completion instructions in the appropriate crop LASH and supplement the general (not crop-specific) loss adjustment standards identified in the LAM.

### B. Record Retention

It is the AIP's responsibility to maintain records (documents) as stated in the SRA and as described in the LAM. Documentation shall include determinations of acreage availability for planting (paragraph 26A or SP if applicable) and other eligibility requirements for PP.

3-10 (Reserved)

## PART 2 GENERAL PP INFORMATION

### 11. PP Provisions

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PP provisions are contained in the BP and are discussed throughout this handbook. These provisions provide PP coverage, unless the specific CP or SP specifies otherwise. If PP provisions are applicable for the crop, the insured may receive a PP payment for eligible PP acreage if the insured was prevented from planting the insured crop due to an insured peril occurring during the PP insurance period and if all other PP provisions are met. Refer to paragraph 22.

### 12. Duties in Event of PP

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#### A. Insured's Duties for Notice of PP

- (1) Insureds are required to provide a notice that they were prevented from planting an insured crop within 72 hours after:
  - (a) The FPD, if the insured does not intend to plant the insured crop during the LPP or if a LPP is not applicable; or
  - (b) The insured determines he/she will not be able to plant the insured crop within any applicable LPP.
- (2) If the insured fails to provide a timely notice as described above, the PP claim will result in no PP coverage and no premium will be due unless the AIP can determine that they still have the ability to accurately adjust the loss, and provided:
  - (a) The notice was submitted prior to 60 days after the calendar date for the end of the insurance period for the crop claimed as PP; and
  - (b) An acreage report was submitted by the acreage reporting date with PP acres for the crop for which the PP notice was submitted.
- (3) In the event a second crop is planted and insured with a different AIP, or planted and insured by a different person, the insured must provide written notice to each AIP that a second crop was planted on PP acreage of the first insured crop. Refer to paragraph 42 for additional information.

#### B. Insured's Duties for Submitting PP Claim

Insureds are required to submit a **signed, completed** PP claim declaring their PP loss not later than 60 days after the calendar date for the end of the insurance period for the PP crop. If the insured submits a PP claim later than 60 days after the calendar date for the end of insurance period for the crop, no PP coverage and no premium will be due. Refer to paragraph 22 for information regarding the end of the insurance period.

## **12. Duties in Event of PP (Continued)**

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### **C. Insured's Failure to Comply with Section 14(e)(4) of the BP**

If the insured fails to comply with any applicable requirement contained in section 14(e)(4) of the BP, the PP claim will be denied and no PP premium will be owed.

### **D. AIP Duties**

It is the AIP's duty to assure that the insured's compliance with policy terms and conditions has been verified by the adjuster.

## **13. Transfer of Coverage and Right to an Indemnity**

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If a Transfer of Right to an Indemnity (Transfer) is in effect for the crop and unit of PP claimed, the transferee is entitled to any PP payment due on the crop unit acreage that was transferred.

- (1) The Transfer form specifies to which crop and acreage the transfer applies. The transferee is responsible only for the premium associated with the specified crop and acreage. Therefore, if there are more PP acres claimed for the crop than the insured actually has eligible acres, no PP payment can be paid to the transferee when the PP payment is made based on another crop that has remaining eligible acres, unless there is also a Transfer in effect for that other crop.
- (2) If at the time the PP claim is prepared there is no Transfer in effect for the crop for which the PP payment is being made, a Transfer form for this crop, unit, and number of PP acres can be completed at this time and submitted to the AIP along with the PP claim.

## **14. Acreage Sold but Insured Retains Right to PP Payment**

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Unlike the situation where a Transfer of Right to an Indemnity is applicable because ownership of the land or crop has changed during the CY, the insured may occasionally retain the right to produce a crop on the acreage after the acreage has been sold (e.g., to a developer). In this case, the insured is eligible for a PP payment when the acreage is sold prior to the latest FPD and the insured still retains the right to produce a crop on the acreage, PROVIDED the insured:

- (1) Can provide the AIP with a copy of the written sales contract for the acreage showing a provision allowing the insured to retain possession of the acreage until harvest of the insured crop was completed;
- (2) Was prevented from planting the insured crop claimed as PP; and
- (3) Meets all other criteria for a PP payment. If the acreage was sold (e.g., to a developer) after the latest FPD for the insured crop, the insured is eligible for a PP payment, PROVIDED the insured provides the AIP a copy of the written sales contract showing the sale of the acreage was after the latest FPD for the insured crop and the insured meets all other criteria for a PP payment.

**15-20 (Reserved)**

## PART 3 PP COVERAGE AND ELIGIBLE ACREAGE

### 21. Eligible Crops

PP coverage is applicable for the following crops:			
Barley	Flax	Onions	Safflowers
Buckwheat	Grain Sorghum	Peanuts	Silage Sorghum
Canola/Rapeseed	Green Peas	Popcorn	Soybeans
Corn	Hybrid Seed Corn	Potatoes, Central and Southern	Sugar Beets <u>1/</u>
Cotton	Hybrid Sorghum Seed	Potatoes, Northern	Sweet Corn, Processing
Cottonseed			
ELS Cotton	Millet	Processing Beans	Sunflower Seed
Dry Beans	Mustard	Rice	Tobacco
Dry Peas	Oats	Rye	Wheat
<u>1/</u> PP is not available in California counties with an April 30 CCD and a July 15 Cancellation Date.			

### 22. Insurance Period

- (1) The insurance period for PP acreage begins:
  - (a) **For First Year Crop Coverage:** on the SCD for the insured crop in the county for the CY the producer's application is accepted. New policyholders are eligible for PP payments if the insured cause of loss occurred on or after the SCD for the current CY and all other requirements for PP have been met.
  - (b) **For Continuous Crop Coverage (not terminated or canceled for a CY), also known as carryover insureds or policyholders:** on the SCD for the insured crop in the county for the prior CY. Carryover policyholders are eligible for PP payments if the insured cause of loss occurred after the SCD for the previous CY, and all other requirements for PP have been met. Transfer of Coverage (cancellation/re-write) to a different AIP or a different plan of insurance (e.g., from yield protection to revenue coverage) is still considered continuous coverage.

For examples, refer to paragraph 81A.

- (2) The insurance period for PP acreage ends the earlier of the calendar date for the end of the insurance period for the PP crop or the date the claim is finalized for the PP crop acreage.
- (3) When persons are dissolved or new persons are formed (requiring a new application for insurance for a subsequent CY) if ALL persons who make up the new entity were insured in the same county the prior CY and there was no lapse in coverage, the new entity's PP insurance period would begin on the SCD for the insured crop in the county for the prior CY and be considered a carryover policy. However, if the new entity contains ANY person who was not insured the prior CY, the insurance period for PP would begin on the current CYs SCD.

## 23. Criteria for PP Payments

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(1) Unless limited by other policy provisions, an insured may be eligible for a PP payment **IF**:

- (a) The insured is prevented from planting the insured crop on insurable acreage following all applicable good farming practices, with proper equipment by the FPD designated in the SP (or within the LPP, if applicable);

When there is more than one FPD in the county for barley, oats, or wheat, the applicable FPD is the latest FPD. Wheat and barley under the terms of the Winter Coverage Endorsement do not have an LPP.

- (b) The insured did not plant the insured crop claimed as PP during or after that crop's LPP (FPD if no LPP is applicable);

However, if acreage prevented from planting by the FPD (within the LPP if applicable) is subsequently planted to the insured crop after the LPP (FPD if no LPP is applicable), it is not considered PP acreage. Such acreage is considered late-planted acreage under the late planting provisions (section 16(b) of the BP). It is the insured's option whether to insure such acreage.

- (c) A cause of loss occurs within the PP insurance period that is general in the surrounding area and prevents other producers from planting acreage with similar characteristics. Failure to plant because of uninsured causes, such as lack (or not enough) of proper equipment or labor to plant acreage; or use of a particular production method is not considered prevented planting.

When determining "area" or "surrounding area," the first step is to define the area by the cause of loss. For example, all acreage that has been affected by a flood or drought would be included. Once this acreage is determined, acreage with similar characteristic would be compared to determine whether other producers are prevented from planting. Refer to the definition of "Area" in Exhibit 2.

- (i) Acreage with similar characteristic includes land with comparable geography, topography, soil types, and the same weather conditions and exposure. Ownership of the acreage or whether it is insured is not to be considered when determining whether acreage has similar characteristics.
- (ii) Conditions can vary significantly between farms, geographic areas, irrigation districts, etc. AIPs must make loss determinations based on each producer's circumstances and in accordance with the policy and procedural guidelines.
- (d) For crop policies requiring processor contracts, insureds may qualify for a PP payment when a processor has control of seed, planting, and harvest equipment; and the processor cannot plant the acreage before the FPD or during the LPP due to an insured cause of loss, provided:
- (i) The insured has an insurable interest in the crop,

## 23. Criteria for PP Payments (Continued)

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- (ii) The contractor has not over-contracted the total number of acres (contemplating “normal” planting delays, etc.), and
  - (iii) All other PP provisions have been met. In order for this situation to be considered an insured cause of loss, processors are not expected to modify contract-specified planting/harvesting dates to return and plant the insured’s acreage that was initially passed over for planting.
- (2) Factors such as existence of insurance, level of insurance coverage, or the financial position of the producer should not be considered when evaluating whether a producer was prevented from planting.
- (3) The insured must timely submit a notice of PP to the AIP. Refer to paragraph 12A(1) for detailed information.
- (4) The acreage of the insured crop that was prevented from being planted must be listed on the insured’s timely submitted acreage report in order to be eligible for a PP payment. Refer to paragraph 51.
  - (a) Insureds are not required to plant the insured crop during the LPP even if they could have planted during the LPP.
  - (b) When acreage, due to an insurable cause of loss occurring within the insurance period for PP coverage, was prevented from being planted to the insured crop by the FPD (or during the LPP, if applicable) is subsequently planted to the insured crop AFTER the LPP (or after the FPD for crops that do not have a LPP), the insured has the choice of insuring or not insuring such acreage. The insured must report such acreage as insured or uninsured (as they have chosen) and the date such acreage is planted, along with any other items required for reporting acreage. If the insured decides to insure such acreage, coverage is provided under the LP provisions and the per-acre production guarantee or per-acre amount of insurance for such acreage will be the same as the insured’s PP guarantee for the insured crop.  
  
**Example:** The insured has 60 percent PP coverage level for corn with a 100 bu. per-acre guarantee for timely planted acres. The guarantee for the LP acres will be 60 bu. (.60 X 100) times the selected price election.
- (5) There must be enough eligible PP acreage (after deducting planted acreage) to cover the unplanted acreage. Refer to paragraphs 26A and 27.)
- (6) The amount of premium (gross premium less FCIC subsidy) that would be required to be paid by the insured for the PP acreage CANNOT exceed the liability for such acreage. Refer to paragraph 53.

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## 24. Perils Covered by PP

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PP coverage will be provided for drought, failure of the irrigation water supply, failure or breakdown of irrigation equipment or facilities, or the inability to prepare the land for irrigation using the insured's established irrigation method, due to an insured cause of loss only if, on the FPD (or within the LPP if the insured elected to try to plant the crop), the insured provides verifiable documentation acceptable to the AIP.

Adjusters and AIPs are to consider the following information, when determining whether insureds qualify for a PP payment for the aforementioned causes of loss.

### A. Non-irrigated Acreage

For non-irrigated acreage to qualify for PP due to drought:

- (1) The insured must provide verifiable documentation acceptable to the AIP that the acreage prevented from being planted has insufficient soil moisture for germination of seed OR progress toward crop maturity due to a prolonged period of dry weather.
  - (a) "Insufficient soil moisture for progress toward maturity" means the crop may germinate but there is insufficient moisture to sustain the germinated plants. There rarely is enough soil moisture at the time a crop is planted to carry the crop to full maturity. Normally, a non-irrigated crop depends on expected seasonal rains throughout the growing season to mature.
  - (b) The amount of rainfall needed to permit sufficient soil moisture to allow germination and crop production is determined by experts based on the crop, area in which it is grown, and other relevant factors. Once that amount is known, area data from the NWS can be used to determine whether there was adequate rainfall to provide sufficient soil moisture.
- (2) **The AIP must be able to verify that:**
  - (a) Insufficient moisture conditions existed on the FPD or within the LPP, regardless of whether rain subsequently falls or is expected to fall. To eliminate any questions about the soil moisture content of the acreage in question, the insured may submit a written soil moisture profile/report of the acreages in question from a disinterested third party that is knowledgeable in determining soil moisture (retain in the insured's claim file).
  - (b) Documentation (i.e., published material or written opinions) from agricultural experts for the insured PP crop states that the amount of soil moisture needed to germinate seed or for progress toward maturity is not available. Agricultural experts must be disinterested third parties to the insured. This written opinion must be based on the crop, area in which the crop is grown, soil type in which the crop is grown, and other relevant factors. Refer to the definition of agricultural expert in the LAM or BP. The name or copy of a published material (or if applicable, the written opinion from the agricultural expert) must be retained in the insured's claim file.

## 24. Perils Covered by PP (Continued)

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### A. Non-irrigated Acreage (continued)

- (3) The insured must provide verifiable documentation acceptable to the AIP of a prolonged period of dry weather that is general in the area. The documentation must be verifiable by the AIP using information collected by sources whose business it is to record and study the weather, including but not limited to local weather reporting stations of the NWS.
  - (a) Examples of other **sources** that can be used:
    - (i) Any university that records and studies the weather
    - (ii) Local weather forecasters' reports PROVIDED AIPs obtain the source data of such reports.
  - (b) Examples of some (but not all) sources that **cannot** be used because they are not from sources that are in the business of recording and studying weather are:
    - (i) Farm records
    - (ii) Written opinions from Cooperative Extension Service
    - (iii) Soil moisture indices
    - (iv) Newspaper reports
  - (c) The U.S. Drought Monitor may be used to show severe drought or worse (D2, D3, or D4) on the FPD or during the LPP for the area, but cannot be used alone. Before it can be used, the AIP must verify that the insured acreage experienced the same drought conditions or level of rainfall.
- (4) The acreage must be located in an area where other producers farming acreage with similar characteristics are also prevented from planting the crops, and this can be verified by the AIP.

However, in the case of drought, other growers may anticipate a return of average precipitation and still plant while other growers may not. When both cases are considered to be good farming practices, RMA recognizes both planted and PP acreage may exist in the same area.

**Acceptable** verification **for the AIP** could include (but is not limited to) the following:

- (a) Maps identifying the location of others in the area with acreage of similar characteristics that were prevented from planting;
- (b) Soil conservation maps identifying soil types;
- (c) Statements from other producers describing soil types on which they were prevented from planting; and
- (d) Ag expert statements detailing similar soil types between the insured's fields and other producers who have been prevented from planting;

## 24. Perils Covered by PP (Continued)

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### A. Non-irrigated Acreage (continued)

- (5) Items in (1)-(4) above must be proven separately, i.e., an NRCS drought advisory alone does not provide the documentation that the crop would not have germinated and progressed the crop to maturity, UNLESS the advisory also specifically states that the soil is too dry for the germination or production of the crop. Likewise, documentation of inadequate rainfall for the area by itself does not indicate the crop would not germinate or progress to maturity.
- (6) **Documentation to be retained in the insured's claim file:** (1) The insured's documentation, as required above; and (2) Documentation of the materials the AIP used to make the above verifications and/or retention of the materials/data used to make the verifications.

### B. Irrigated Acreage

- (1) For irrigated acreage, PP coverage will be provided, if due to an insured cause of loss:
  - (a) The insured is unable to prepare the land for irrigation using the insured's established irrigation method:
    - (i) The insured must provide documentation of his/her established irrigation method.
    - (ii) The adjuster must verify the insured's established irrigation method and that the cause of loss claimed by the insured was the sole reason the irrigation method could not be established. Consult with the local NRCS and other similar sources knowledgeable in furrow type irrigation operations to help make these determinations. The documentation must be maintained in the insured's claim file;
    - (iii) The entry for "Cause of Damage" on the PW is "Inability to prepare the land for irrigation" (code 15). Refer to Exhibit 3 of the LAM. Document the information in the Narrative of the PW or on a Special Report as explained in paragraph for irrigation in the LAM.
  - (b) The irrigation equipment or facilities fail or break down, provided the insured made all reasonable efforts to restore the equipment or facilities to proper working order within a reasonable amount of time after an insured peril caused the equipment or facilities to be inoperable, unless the AIP determines it is not practical to do so.
    - (i) Cost will not be considered when determining whether it is practical to restore the equipment or facilities.

## 24. Perils Covered by PP (Continued)

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### B. Irrigated Acreage (Continued)

- (ii) The adjuster must verify that the insured cause of loss was the sole reason the irrigation equipment failed or broke down. The adjuster must document the date and if applicable, the time the insured cause occurred and any other pertinent information. The documentation must be retained in the insured's claim file;
- (c) There is failure of the irrigation water supply; i.e., there is not a reasonable expectation of having adequate water to carry out an irrigated practice. Adjusters and AIPs are to consider the following to determine whether there is a failure of irrigation water supply due to an insured cause of loss occurring during the PP insurance period.
  - (i) The insured cause that reduces the amount of irrigation water available **MUST** occur within the insurance period for PP. Refer to paragraph 22 for differences between the insurance period for first year coverage (new policyholders) and continuous crop coverage (carryover policyholders).
  - (ii) A continued drought from one calendar year to the next generally has major components of insurable causes of loss occurring during the PP insurance period for the current CY.
  - (iii) Use the Irrigated Practice Guidelines in Exhibit 3, along with the following information, to verify the insured qualifies for an irrigated practice, other than not having adequate water to irrigate the acres turned in as PP, and that the insured qualifies for the number of acres the insured could have irrigated had it not been for failure of the irrigation water supply; i.e., the insured has adequate facilities and equipment to irrigate the number of acres reported as irrigated (both prevented from planting and planted).
  - (iv) From one or more of the following sources, verify that on the FPD the insured did not have a reasonable expectation of having adequate water to carry out an irrigated practice for the acres claimed as PP:
    - (A) local irrigation authorities responsible for water allocations,
    - (B) State Departments of Water Resources,
    - (C) U.S. Bureau of Reclamation,
    - (D) U.S. Army Corp of Engineers,
    - (E) CES,
    - (F) NRCS, or
    - (G) other sources responsible for collection of water data or regulation of water resources (water allocations) that indicate what expected water allocations will be if average snow-pack/precipitation occurs during the PP insurance period.

Refer to paragraph 81B for examples regarding reduction of irrigation water due to drought.

## 24. Perils Covered by PP (Continued)

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### B. Irrigated Acreage (Continued)

- (2) The following contains additional information that must be considered when determining whether the failure of the irrigation water supply was due to an insured peril that prevented the insured from planting the crop.
  - (a) Acreage historically grown under an irrigated practice for which the insured had no reasonable expectation of adequate irrigation water on the FPD (or within the LPP, if applicable) may be eligible for an irrigated PP payment, even if the acreage could have been planted with a non-irrigated practice and the producer elected not to plant. Acreage historically grown under an irrigated practice is as stated in paragraph 27(10).
  - (b) Any reduction in the water supply due to participation in an electricity buy-back program or the sale of water under a water buy-back program (either before or after insurance attaches) is not considered an insurable cause of loss under the policy. However, if an insured cause of loss reduces the amount of irrigation water available, then subsequent participation in an electricity buy-back program (relative to the amount of water reduced by an insured cause of loss) will not reduce the insured loss.
  - (c) In those cases where an insured cause of loss reduced the irrigation water supply for a portion of the insured's acreage and the insured elects to participate in the electricity buy-back programs or water right buy-back programs, the AIP must separately determine the amount of acreage for which an insured cause reduced the irrigation water supply and the amount of acreage for which participation in the electricity buy-back programs or water right buy-back programs caused the reduced irrigation water supply. The insured may still be eligible for a PP payment or indemnity, as applicable, on the acreage where an insured cause of loss reduced the irrigation water supply, provided that all other requirements in the policy have been met.
  - (d) Decreased water allocation resulting from the diversion of water for environmental or other reasons is not an insurable cause of loss unless the diversion is made necessary due to an insured cause of loss.
  - (e) Increased costs for water, electricity, fuel, etc., from sources historically used by the insured are not considered insurable causes of loss under the policy. Any acreage for which the irrigation water supply has been reduced by the insured because of such increased costs is not insurable under an irrigated practice and no PP payment may be made. Conversely, the availability of high-cost water, electricity, or fuel from a non-historical source will not be considered a reason to deny an otherwise payable claim.

## 24. Perils Covered by PP (Continued)

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### B. Irrigated Acreage (Continued)

- (f) Insureds are not expected to take extraordinary measures or amounts of money to modify their irrigation facilities when the water level of the surface water irrigation source (e.g., river) has decreased, due to an insured cause of loss, to the point the insured cannot deliver adequate irrigation water to the crop. For example, in order to deliver adequate water, the insured would have to place long runs of irrigation pipe not normally run, purchase additional or larger motors, lift stations, irrigation pipes, and/or other equipment not normally used in their normal irrigation operations.

### C. Other Insured Causes of Loss Covered by PP

PP payments may be made due to:

- (1) The inability to plant due to large amounts of salt, silt, sand, and/or other debris left on the land or in the irrigation water supply due to an insured cause of loss (e.g., hurricane), provided the:
  - (a) The condition is general in the surrounding area and prevented other producers from planting acreage with similar characteristics, and
  - (b) The insured cause of loss occurred within the PP insurance period.

Refer to examples in paragraph 81A(2)(b) and (3). The AIP may need to ask the insured for additional documentation from agricultural experts to support that the acreage cannot be planted due to salt on the land or in the irrigation water.

- (2) Any other insured cause of loss not listed above but that is listed in the CP for the insured crop, provided the cause occurred during the PP insurance period and the cause prevented the insured from planting the insured crop. However, for causes of loss other than drought, failure of the irrigation water supply, failure, or breakdown of the irrigation equipment or facilities or inability to prepare the land using established irrigation methods, if it is possible for the insured to have planted on or prior to the FPD when other producers in the area were planting and the insured failed to plant, no PP payment will be made.
- (3) The inability to access roads to a field that meets the requirements for “available for planted, provided all other PP requirements are made. The inability must be due to an insured cause of loss. For example, the roads have been washed out or the road(s) are flooded to the extent road(s) could not safely be accessed before the FPD or LPP, if applicable. However, if there is ANY way into the field, even if it means the producer has to drive out of the way to reach the acreage, then the producer would be expected to do so if the field was dry enough to plant. PP payments would not be made if there were any accessible roads to the acreage. Producers, however, are not expected to go to extreme measures like airlifting equipment into a field. These types of cases are expected to be very limited.

## 25. PP Coverage Level Percentages

- (1) The CP contain the PP coverage level percentage that will automatically apply to the insured's crop policy, unless the insured has Additional Coverage and Additional PP Coverage levels are available and elected.
- (2) If available for the crop, insureds with Additional Coverage may elect additional levels of PP coverage on or before the SCD. The additional levels of PP coverage also require additional premium. When additional PP coverage levels are available, they are contained on the actuarial documents for the crop and are indicated as PF (+5 percent) and PT (+10 percent).
- (3) If the insured has a crop policy with CAT coverage, an additional level of PP coverage cannot be elected. For example, the insured has a corn policy with CAT coverage for his/her high-risk land in county A, and another corn policy in county A with additional coverage for non-high-risk land. The insured can only purchase additional PP coverage on the corn policy that has additional coverage.
- (4) The insured cannot increase the elected or assigned PP coverage level percent for any CY if a cause of loss that could prevent planting (even though it is not known whether such cause will actually prevent planting) has occurred during the PP insurance period and prior to the insured's request to change his/her PP coverage level. When a policy is transferred to another AIP, and the transfer application has the same optional PP coverage election as the previous policy, it is not considered an increase in PP coverage.
- (5) Insureds' PP coverage level percentage is multiplied by their per-acre production guarantee for timely planted acres times their applicable price election or projected price, to determine a per-acre amount before share. Refer to paragraph 75 for the complete PP payment calculation.

<b>PP Coverage Level Percentages by Crop</b>		
<b>If the insured crop is . . .</b>	<b>And the coverage level elected is . . .</b>	<b>Then available PP coverage levels is . . .</b>
Barley <sup>5/</sup> , buckwheat, corn <sup>5/</sup> , canola/rapeseed <sup>5/</sup> , dry beans, dry peas, flax, grain sorghum <sup>5/</sup> , hybrid sorghum seed, millet, mustard, oats, popcorn, rye, safflowers, silage sorghum, soybeans <sup>5/</sup> , sunflower seed <sup>5/</sup> , or wheat <sup>5/</sup>	Additional	60, 65 <sup>1/</sup> , or 70 <sup>1/</sup> percent
	CAT	60 percent
Green peas, processing sweet corn, or processing beans	Additional	40, 45 <sup>1/</sup> , or 50 <sup>1/</sup> percent
	CAT	40 percent
Rice <sup>5/</sup> or sugar beets <sup>3/, 4/</sup>	Additional	45, 50 <sup>1/</sup> , or 55 <sup>1/</sup> percent
	CAT	45 percent

## 25. PP Coverage Level Percentages

PP Coverage Level Percentages by Crop		
If the insured crop is . . .	And the coverage level elected is . . .	Then available PP coverage levels is . . .
Cotton <sup>2/</sup> , <sup>5/</sup> ELS cotton <sup>2/</sup> , cottonseed <sup>2/</sup> , hybrid seed corn, or peanuts	Additional	50, 55 <sup>1/</sup> , or 60 <sup>1/</sup> percent
	CAT	50 percent
Onions <sup>3/</sup> and Tobacco	Additional	35 percent
	CAT	35 percent
Central and southern potatoes and northern potatoes	Additional	25, 30 <sup>1/</sup> , or 35 <sup>1/</sup> percent
	CAT	25 percent

<sup>1/</sup> When additional coverage is elected, the insured can elect one of these higher PP coverages by the SCD provided there is no existing cause of loss that has occurred during the PP insurance period or (refer to Para. 25 (1)-(4) above for more details).

<sup>2/</sup> The production guarantee for non-irrigated cotton is based on the solid-planted approved APH yield. (For AUP cotton, ELS cotton, and cottonseed do not apply the skip-row Yield Conversion Factor.)

<sup>3/</sup> For onions and sugar beets, the percentage listed is multiplied times the final stage production guarantee.

<sup>4/</sup> PP is not available in California counties with an April 30 contract change date and a July 15 cancellation date.

<sup>5/</sup> For Revenue Protection, Revenue Protection with the Harvest Price Exclusion, and Yield Protection plans of insurance; the projected price is used.

The PP coverage level for eligible double-cropped acreage is the same as for PP acreage that is not planted to any crop (e.g.; 60 percent for soybeans).

When the NI corners of a center pivot irrigation system are considered IRR and qualify for PP, the approved IRR APH yield is used to calculate the PP production guarantee for the entire field (including the NI corners).

## 26. Eligible Acres

### A. PP Eligible Acreage

Acreage eligible for PP must:

- (1) Be insurable.
- (2) Be available for planting. Available for planting means land is free of trees, rocky outcroppings, or other factors that would prevent proper and timely preparation of the seedbed for planting and harvest of the crop for the CY.
- (3) Not be acreage that is considered unavailable for planting. Acreage not considered available for planting includes, but is not limited to, the following (see the SP, if applicable):
  - (a) Acreage enrolled in CRP;

## 26. Eligible Acres (Continued)

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### A. PP Eligible Acreage (Continued)

- (b) Perennial crop acreage (i.e., trees or vines visibly on the acreage or not removed from the acreage in a proper or timely manner to allow for planting a crop for the CY);
  - (c) Acreage where pasture or forage is in place; Refer to section 17(f)(6) of the BP for what constitutes established pasture, rangeland or forage that is in place and paragraphs 29 and 31(2)(a) of this handbook.
  - (d) Acreage that has any other condition, as determined by the AIP, which would prevent the proper and timely planting of the crop.
- (4) Not be Uninsurable.

The adjuster (and/or other contractor or AIP employee designated by the AIP) must verify that the acreage claimed as PP is **NOT** uninsurable acreage. Uninsurable acreage includes, but is not limited to, acreage:

- (a) That has not been planted and harvested or insured (grazing is not considered harvested for the purpose of insurable acres) in any one of the three previous CYs UNLESS:
  - (i) The insured can show such acreage was:
    - (A) Not planted in at least two of the previous three CYs to comply with any other USDA program;
    - (B) Not planted because of crop rotation (the acreage would not have been planted in the previous three years; e.g., corn, soybeans, alfalfa; and the alfalfa remained for four years before the acreage was planted to corn again); or
    - (C) A perennial tree, vine, or bush crop was on the acreage on at least two of the previous three CYs. Clarification: forage crops, grass crops, and sod are not considered perennial crops for this purpose.
  - (ii) Such acreage constitutes five percent or less of the insured planted acreage in the unit; or
  - (iii) The CP, SP, or a WA specifically allow insurance for such acreage (unless an approved WA that is in effect excludes preventing planting coverage).

## **26. Eligible Acres (Continued)**

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### **A. PP Eligible Acreage (Continued)**

- (b) On which the only crop that has been planted and harvested in the three previous CYs is a cover, hay, (except wheat harvested for hay) or forage crop (except insurable silage) unless a forage crop is part of the insured's established crop rotation, as described in subparagraph (4)(a)(i)(B) above.
- (c) That has been strip-mined, unless:
  - (i) An agricultural commodity other than a cover, hay (except wheat harvested for hay), or forage crop (except insurable silage), has been harvested from the acreage for at least five CYs after the strip-mined land was reclaimed; or
  - (ii) A WA specifically allows insurance for such acreage.
- (d) For which the actuarial documents do not provide the information necessary to determine the premium rate, unless insurance is allowed by a WA;
- (e) That is otherwise restricted by the CP or SP.

### **B. Maximum total eligible acreage for all insured crops eligible for PP payments**

- (1) The TOTAL number of acres eligible for PP coverage for ALL crops CANNOT exceed the number of cropland acres in the insured's farming operation for the CY, unless the insured has provided proof that acreage was double cropped and at least one crop qualified for PP coverage. Refer to paragraphs 27 and 43.
- (2) Maximum PP eligible acreage is inclusive of any applicable transfer of APH history and use of another producer's history. Refer to paragraphs 1207-1209 of the CIH for procedures applicable to transfers of APH history and use of another producer's history.

## 26. Eligible Acres (Continued)

### C. Maximum eligible acreage for each insured crop

- (1) For crops not requiring processor contracts and that have been planted in the county in any one or more of the four most recent CYs:

Type of crop	Eligible acres if, the insured <b>HAS planted ANY crop in the county for which PP insurance was available (the insured will be considered to have planted if the insured's APH database contains actual planted acres) or has received a PP insurance guarantee in any one or more of the four most recent CYs:</b>
<p>For crops <b>NOT</b> required to be contracted with a processor to be insured.</p> <p>Applicable crops not requiring processor contracts are as follows:</p> <p>Barley (including Specialty Type barley refer to paragraph 26(8)), canola/rapeseed, corn, cotton, ELS cotton, dry beans<sup>1/</sup>, dry peas<sup>1/</sup>, flax, grain sorghum, millet, oats, onions<sup>3/</sup>, peanuts, central and southern potatoes, northern potatoes, rice, rye, silage sorghum, soybeans (including specialty type soybeans - refer to paragraph 26(8)), safflowers, sunflower seed, tobacco, and wheat</p>	<p><b>A</b> The maximum number of acres certified for APH purposes, or insured acres reported for insurance for the crop in any 1 of the 4 most recent CYs (not including reported PP acreage that was planted to a 2nd crop unless the insured meets the double-cropping requirements stated in paragraph 43).</p> <p><b>B</b> The number of acres determined above for a crop may be increased by multiplying it by the ratio of the total cropland <sup>2/</sup> acres that the insured is farming in the current CY (if greater) to the total cropland <sup>2/</sup> acres that the insured farmed in the previous year, provided:</p> <p>(1) The insured submits proof to the AIP for the current CY that the additional acreage was acquired by one of the following:</p> <p>(a) The insured bought the acreage;</p> <p>(b) The insured leased the acreage (except acreage the insured leased the previous CY and continued to lease in the current CY);</p> <p>(c) The acreage is released from any USDA program which prohibits harvest of a crop (e.g., CRP acreage can be factored up the first CY it is released but not the following CYs);</p> <p>(d) The insured acquired the acreage through means other than lease or purchase (such as inherited or gifted acreage); or</p> <p>(e) The insured has an approved written agreement to insure acreage that was previously uninsurable.</p> <p>(2) The additional acreage must have been acquired in time to plant it for the current CY using good farming practices; and</p> <p>(3) No cause of loss has occurred at the time the insured acquires the acreage that may prevent planting (except acreage the insured leased the previous year and continues to lease in the current CY);</p> <p><b>Although acreage where pasture or forage is in place is not considered available for planting<sup>2/</sup>, if such acreage already exists as part of the insured's farming operation and the pasture or forage is destroyed in preparation for planting, such acreage cannot be used for purposes of increasing the number of eligible acres. Refer to paragraph 27(6) regarding pasture and forage in place.</b></p> <p><b>C</b> If an insured adds adequate irrigation facilities to his/her existing non-irrigated acreage or if the insured acquires additional land for the current CY that has adequate irrigation facilities, the number of eligible acres determined in A above for irrigated acreage of a crop may be increased by multiplying it by the ratio of the total irrigated acres the insured is farming this year (if greater) to the total irrigated acres that the insured farmed in the previous year, provided the conditions in B(1), (2), and (3) above are met. If there were no irrigated acres in the previous year, the eligible irrigated acres for a crop will be limited to the lesser of the number of eligible non-irrigated acres of the crop or the number of acres on which adequate irrigation facilities were added.</p>
<p><sup>1/</sup> This does not include contract seed beans or contract seed peas. See contract seed beans or contract seed peas below.</p> <p><sup>2/</sup> Cropland for insurance purposes is only land that is available for planting.</p> <p><sup>3/</sup> If the SP requires a processor contract, refer to the table that requires processor contracts.</p>	

## 26. Eligible Acres (Continued)

### C. Maximum eligible acreage for each insured crop (continued)

- (2) For crops not requiring processor contracts and that have NOT been planted in the county in any one or more of the four most recent CYs:

Type of Crop:	Eligible acres if, the insured <b>HAS NOT</b> planted ANY crop in the county for which PP insurance was available (the insured will be considered to have planted if the insured's APH database contains actual planted acres) or has not received a PP insurance guarantee in <b>ALL of the four</b> most recent CYs:
<p>For crops <b>NOT required</b> to be contracted with a processor to be insured.</p> <p>Applicable crops not requiring processor contracts are as follows:</p> <p>Barley (including Specialty Type barley refer to paragraph 26(8)), canola/rapeseed, corn, cotton, ELS cotton, dry beans<sup>1/</sup>, dry peas<sup>1/</sup>, flax, grain sorghum, millet, oats, onions<sup>3/</sup>, peanuts, central and southern potatoes, northern potatoes, rice, rye, silage sorghum, soybeans (including specialty type soybeans - refer to paragraph 26(8)), safflowers, sunflower seed, tobacco, and wheat</p>	<p>A The number of acres specified on an intended acreage report (refer to paragraph 54) submitted to the AIP by the SCD for ALL crops the insured insures for the CY and that is accepted by the AIP; or</p> <p>B The number of acres specified on your intended acreage report, submitted to the AIP within 10 days of the time the insured acquires the acreage that is accepted by the AIP, <b>IF on the SCD</b>, the insured does not have any acreage in a county and subsequently acquires acreage by a method described below in time to plant it using good farming practices.</p> <ol style="list-style-type: none"> <li>(1) The insured bought the acreage;</li> <li>(2) The insured leased the acreage (except acreage the insured leased the previous CY and continued to lease in the current CY);</li> <li>(3) The acreage is released from any USDA program which prohibits harvest of a crop (e.g., CRP acreage can be factored up the first CY it is released but not the following CYs);</li> <li>(4) The insured acquired the acreage through means other than lease or purchase (such as inherited or gifted acreage); or</li> <li>(5) The insured has an approved written agreement to insure acreage that was previously uninsurable.</li> </ol> <p>No cause of loss has occurred at the time the insured acquires the acreage that may prevent planting (except acreage the insured leased the previous year and continues to lease in the current CY).</p> <p>C The total number of acres listed on the intended acreage report cannot exceed the number of acres of cropland<sup>2/</sup> in the insured's farming operation at the time the intended acreage report is submitted. Also, refer to paragraph 54 for details on adjusting acres when they exceed the cropland acres.</p> <p>D If the insured acquires additional acreage after the AIP accepts the intended acreage report, the number of acres determined in A or B above may be increased by multiplying it by the ratio of the total cropland<sup>2/</sup> acres that the insured is farming in the current CY (if greater) to the number of acres listed in the intended acreage report, if the insured submits proof to the AIP that for the current CY, provided:</p> <ol style="list-style-type: none"> <li>(1) The insured acquires acreage by a method described in <b>B</b> above in time to plant it using a good farming practices; AND</li> <li>(2) No cause of loss has occurred at the time the insured acquires the acreage that may prevent planting (except acreage the insured leased the previous year and continues to lease in the current CY).</li> </ol> <p>Although acreage where pasture or forage is in place is not considered available for planting<sup>2/</sup>, if such acreage already exists as part of the insured's farming operation and the pasture or forage is destroyed in preparation for planting, such acreage cannot be used for purposes of increasing the number of eligible acres. Refer to paragraph 27(6) regarding pasture and forage in place.</p> <p>E If an insured adds adequate irrigation facilities to his/her existing non-irrigated acreage or if the insured acquires additional land for the current CY that has adequate irrigation facilities, the number of eligible acres determined in A or B above for irrigated acreage of a crop may be increased by multiplying it by the ratio of the total irrigated acres the insured is farming this year (if greater) to the total irrigated acres that the insured listed on the intended acreage report provided the conditions in D(1) and (2) above are met. If there were no irrigated acres on the intended acreage report, the eligible irrigated acres for a crop will be limited to the lesser of the number of eligible non-irrigated acres of the crop or the number of acres on which adequate irrigation facilities were added.</p>

<sup>1/</sup> This does not include contract seed beans or contract seed peas. See contract seed beans or contract seed peas below.

<sup>2/</sup> Cropland for insurance purposes is only land that is available for planting.

<sup>3/</sup> If the SP requires a processor contract, refer to the table that requires processor contracts.

**26. Eligible Acres (Continued)**

**C. Maximum eligible acreage for each insured crop (continued)**

(3) For crops requiring processor contracts:

<b>Type of Crop</b>	<b>Eligible acres for crops that require a processor contract:</b>
<p>For crops that <b>require a processor contract</b> in order for the crop to be insured.</p> <p>Applicable crops requiring processor contracts are as follows:</p> <p>buckwheat, hybrid seed (corn), hybrid sorghum seed, contract seed beans under the dry bean CP, mustard, contract seed peas under the dry pea CP, green peas, onions when the SP requires a processor contract, popcorn, processing sweet corn, processing beans, and sugar beets.</p>	<p><b>A</b> The number of eligible acres will be:</p> <p>(1) The number of acres specified in the processor contract, if the contract specifies a number of acres contracted for the CY;</p> <p>(2) The result of dividing the quantity of production stated in the processor contract by the insured’s approved yield, if the processor contract specifies a quantity of production that will be accepted. (For the purposes of establishing the number of PP acres, any reductions applied to the transitional yield for failure to certify acreage and production for four prior years will not be used.); or</p> <p>(3) Regardless of A(1) or (2) above, if a minimum number of acres or amount of production is specified in the processor contract, this amount will be used to determine the eligible acres.</p> <p><b>B</b> If a processor cancels or does not provide contracts, or reduces the contracted acreage or production from what would have otherwise been allowed, solely because the acreage was prevented from being planted due to an insured cause of loss, the AIP will determine the number of acres eligible based on the number of acres or amount of production the insured had contracted in the county in the previous CY.</p> <p>(1) If the applicable CP require that the price election be based on a contract price, and a contract is not in force for the current year, the price election will be based on the contract price in place for the previous CY.</p> <p>(2) If the insured did not have a processor contract in place for the previous CY, the insured will not have any eligible PP acres for the applicable processor crop.</p> <p>(3) The total eligible PP acres in all counties cannot exceed the total number of acres or amount of production contracted in all counties in the previous CY.</p>

(4) Any eligible acreage determined, in accordance with applicable paragraph 26C(1), (2) or (3) above, will be reduced by subtracting the number of acres of the crop (insured and uninsured) that are timely and late planted. Refer to paragraph 83 for explanation and examples of determining when acres must be subtracted from remaining eligible acres.

(5) PP acres subsequently planted to a second crop are not used to determine eligible acres unless double cropping requirements are met. Refer to Part 4 for information regarding second crop and double cropping requirements.

## 26. Eligible Acres (Continued)

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### C. Maximum eligible acreage for each insured crop (continued)

- (6) The insured must report the precise number of PP acres by the acreage reporting date. Refer to paragraph 51 for acreage reporting information and paragraphs 81 and 82 for information about verifying eligibility of reported PP acreage and examples thereof.
- (7) If an insured has an additional coverage policy for a crop and executes a High Risk Land Exclusion Option that separately insures high-risk land acreage for that crop under a CAT policy, the maximum number of acres eligible for a PP payment will be limited for each crop policy as specified in paragraphs 26 and 27.
- (8) If an insured has an additional coverage policy for a crop and elects to insure their high-risk land under a High Risk–Alternative Coverage Endorsement (HR-ACE), the maximum number of acres eligible for a PP payment will be limited for each crop policy as specified in paragraphs 26 and 27.

**Note:** If the insured does not have enough or any PP eligibility on the HR-ACE policy, but does have eligibility from the underlying policy or another insured crop policy for the current crop year for which the insured has remaining eligible PP acreage, the remaining eligible acres from the underlying policy or another insured crop policy for the current crop year can be used to make a payment on the HR-ACE policy in accordance with section 17(g) of the Basic Provisions.

- (9) If the insured is prevented from planting a crop for which the insured does not have an adequate base of eligible PP acreage, as determined in accordance with applicable subparagraph 26C(1), (2) or (3) above, acreage from another crop insured for the current CY for which the insured has remaining eligible PP acreage will be used.
  - (a) Using another crop's eligible acres:
    - (i) The crop acres first used will be the insured crop that would have a PP payment most similar (closest) to the per-acre PP payment for the crop that was prevented from being planted.
    - (ii) If there are still insufficient eligible PP acres, the next crop used will be the insured crop that would have the next most similar (closest) PP payment.
    - (iii) In the event payment amounts based on other crops are an equal amount above and below the payment amount for the crop that was prevented from being planted, eligible acres for the crop with the higher payment amount will be used first.
  - (b) The PP payment and premium when another crop's eligible acres are used will be:

## 26. Eligible Acres (Continued)

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### C. Maximum eligible acreage for each insured crop (continued)

- (i) The crop that was prevented from being planted if the insured crop with remaining eligible acreage would have resulted in a higher PP payment than would have been paid for the crop that was prevented from being planted; or
  - (ii) The crop from which eligible acres are being used if the insured crop with remaining eligible acreage will result in a lower PP payment than would have been paid for the crop that was prevented from being paid.
- (c) Payment may be made using eligible PP acres from crops other than those that were prevented from being planted even though other policy provisions, including but not limited to, processor contract and rotation requirements have not been met for the crop on which payment is being based. Refer to paragraph 84B(10)(f) for an example.
- (d) The PP payment may or may not be made from crop eligibility that is in the same physical location as the acreage that was actually prevented from being planted. For example, the land upon which the crop was prevented from being planted may be located in legal section 12 and the crop and unit for which the PP payment is the most similar and for which the PP payment is based may be associated with legal section 9. Refer to example in paragraph 84.

(10) Increases of the maximum eligible PP acres for a crop due to the insured increasing his/her cropland acres for the current CY<sup>2</sup> is determined separately by crop and irrigation practice by determining a ratio and multiplying this ratio by the highest number of acres reported or insured in one of the last 4 CYs as stated in paragraph 26C above.

**Example:** For the 2014 CY, the insured had 200 acres of irrigated acreage in county ABC and purchased an additional 100 acres of irrigated cropland in county ABC prior to the time planting preparation would have begun for the 2015 CY. No cause of loss was evident at the time the additional irrigated acreage was purchased. Determine the ratio by dividing the total irrigated acreage the insured has in his/her operation for 2015 in county ABC by the amount of irrigated acreage the insured had in his/her operation in county ABC for the 2014 CY ( $300/200 = 1.50$ ). To increase the insured's maximum irrigated PP corn acreage for the 2015 CY in county ABC, determine the highest number of acres certified for APH purposes or insured acres reported for corn in county ABC in one of the 4 most recent CYs. Assume the highest number of irrigated corn acres in the past 4 years was 200 acres. Multiply 200 acres times the 1.50 ratio = 300 acres (maximum eligible irrigated corn PP acres for county ABC in 2015 CY).

## 26. Eligible Acres (Continued)

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### C. Maximum eligible acreage for each insured crop (continued)

However, as stated in FAD-040, regardless of the number of eligible acres determined in accordance with the above ratio, coverage under an irrigated practice is limited to acres that the insured has adequate irrigation facilities in place to carry out an irrigated practice prior to the insured cause of loss preventing planting.

- (11) The AUP and ELS Cotton CP (includes Cottonseed Pilot Endorsement), (or other crop's SP, or an approved WA) limit insurable acreage to "only the land occupied by the rows of cotton (other crop, if applicable) when a skip-row planting pattern is utilized." In addition, the BP specify the eligible PP acres are the maximum number of acres certified for APH purposes or insured acres reported, which in the case of skip-row cotton (or other crops having a skip-row planting pattern practice on the actuarial or by WA) is the gross acres (acreage occupied by the skip-rows and rows of crop) adjusted downward based on the particular skip-row planting pattern (which, in the example below would be 200.0 acres).

**Example:** 300.0 gross acres planted in a skip-row planting pattern in one of the last four CYs. Percent planted for skip-row planting pattern is 66.67 percent (converted to decimal is .6667). The 300.0 gross acres x .6667 = 200.0 acres used for eligible PP acres.

These are the acres that are used to determine the maximum eligible PP acres when looking at the previous four years of history on the APH form.

- (12) Specialty Type(s): Barley, Corn, Canola, and Soybeans

- (a) For specialty type barley, corn, canola, and soybeans insured under Yield Protection, PP payments can be made based on the contract price, when the policyholder provides an acceptable contract by the acreage reporting date.
- (b) For specialty type soybeans, corn, and canola only: (1) The insured may elect to use the price contained in the production contract (contract price) to determine the projected price for each specialty type only if the total number of insured acres of the specialty type does not exceed 110 percent of insured specialty type acreage under the contract; and (2) if the contract is cancelled or reduced solely because acreage is prevented from being planted, the original contract amount is used to determine if the 110 percent requirement (total number of insured specialty type acres does not exceed 110 percent of the acreage under contract) has been met.
- (c) A contract is required for specialty type barley, corn, canola, and soybeans, if the policyholder wants to insure based on their contract price. Eligible acres are determined in the same manner as for other crops with specific types, in accordance with section 17(e)(1)(i) of the BP (refer to applicable subparagraph C(1) or (2) above).

## 26. Eligible Acres (Continued)

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### C. Maximum eligible acreage for each insured crop (Continued)

- (d) If a policyholder does not have enough eligible acres for PP purposes, the PP payment and premium will be determined in accordance with 17(h) of the BP.
  - (i) Refer to paragraph 84 of this handbook for more details and examples of using other types and/or crops to base the PP payment. Also, section 17(f)(11) of the BP provides limits on types of any crop, including specialty type barley, corn, canola, and soybeans. Refer to paragraph 27(11) of this handbook for additional information regarding these limitations.
  - (ii) Refer to paragraph 84 for using another crops' eligible acres, specific to specialty type barley, corn, canola, and soybeans.

## 27. Acreage Which Is Not Eligible for PP Coverage

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Regardless of the number of eligible acres determined from using the instructions in paragraph 26C above, PP coverage will not be provided for any acreage:

- (1) That does not constitute at least 20 acres or 20 percent of the insurable crop acreage in the unit, whichever is less (after the minimum acreage requirement on the unit is met, PP payments are on a per acre basis). For Whole Farm Units, the 20 acres/20 percent requirement will be applied separately for each crop in the Whole Farm Unit.
  - (a) Any PP acreage within a field that contains planted acreage will be considered to be acreage of the same crop, type, and practice that is planted in the field (if there are multiple crops planted in a field, the insured may select which crop will be used for the PP acreage), unless:
    - (i) The PP acreage in the field constitutes at least 20 acres or 20 percent of the total insurable acreage in the field, and the insured produced both crops, crop types, or followed both practices in the same field in the same CY within any of the 4 most recent CYs;

**Example:** The field is 160 acres of wheat but only 120 acres have irrigation facilities (e.g., center-pivot irrigation system) available to irrigate the field. If the insured has established an APH yield for an irrigated and non-irrigated wheat practice and production records have been kept separate, only the 120 irrigated acres of the field can be claimed as an irrigated practice. However, if the insured did not qualify for optional units for the non-irrigated corners of the field, and the insured established only an irrigated APH yield using the production records from the irrigated and non-irrigated acreage for the field, then all 160 acres would be considered as an irrigated practice.

## 27. Acreage Which Is Not Eligible for PP Coverage (Continued)

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- (ii) The insured was prevented from planting a first insured crop, and a second crop was planted in the same field (There can only be one first insured crop in a field unless the requirements in subparagraph (a)(i) or (iii) are met); or
- (iii) The insured crop planted in the field would not have been planted on the remaining PP acreage; e.g., where rotation requirements would not be met or the insured already planted the total number of acres specified in the processor contract; See example on the next page.

**Example:** The insured's sugar beet contract is for 100 acres and all 100 acres of sugar beets are planted into a 160 acre field. Since the insured could not continue to plant sugar beets because of the limitation of 100 acres in the sugar beet contract, the remaining 60 acres of land in the field are eligible for a PP payment as a separate crop, provided all other PP eligibility requirements are met.

- (b) If an insured claims irrigated PP acreage for a crop, the insured cannot plant the same crop as a non-irrigated practice and collect PP on the irrigated practice even when the insured's eligibility for irrigated acres has been reduced due to a progressive drought. For example, the insured's cropland acres consist of 100 acres, which is contained within one field. The insured has irrigated corn history on the 100 acres. However, due to the progressive drought, the insured's eligible irrigated PP corn acres have been reduced to 90 acres. If the insured plants 10 acres of non-irrigated corn, the whole field would be considered non-irrigated corn and the PP payment would have to be based on a non-irrigated corn practice rather than irrigated corn.
- (2) For which the actuarial documents do not provide the information needed to determine a premium rate unless a written agreement designates such premium rate;
  - (3) Used for conservation purposes or intended to be left unplanted under any program administered by the USDA or other government agency, or required to be left unharvested under the terms of the lease or any other agreement (The number of acres eligible for PP under the terms of the lease or any other agreement will be limited to the number of acres specified in the lease for which the insured is required to pay either cash or share rent);
  - (4) On which the insured crop is prevented from being planted, if the insured or any other person receives a PP payment for any crop for the same acreage in the same CY, excluding share arrangements, unless ALL of the criteria for double cropping in paragraph 43 are met;
  - (5) On which the insured crop is prevented from being planted if any:
    - (a) crop is planted within or prior to the LPP (or on or prior to the FPD if no LPP is applicable) for the same CY; unless:

## 27. Acreage Which Is Not Eligible for PP Coverage (Continued)

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- (i) the insured meets the double cropping requirements (as stated in paragraph 43);
  - (ii) the crop planted is a cover crop; or
  - (iii) no benefit, including benefit under any USDA program was derived from the crop; or
- (b) cover crop is planted during the LPP (if applicable) and is hayed or grazed prior to November 1 or otherwise harvested at any time. This is because the cover crop that was planted **during the LPP of the PP crop** and then hayed or grazed prior to Nov. 1 **or otherwise harvested any time** is now considered a second crop and section 17(f)(5)(i) of the BP applies.” If the cover crop that was planted during the LPP of the PP crop is hayed or grazed Nov. 1 or later, it is not considered a second crop and the insured is eligible for a 100 percent PP payment.
- (c) volunteer crop is hayed or grazed within or prior to the LPP (or on or prior to the FPD if a LPP does not apply) or a cover crop is otherwise harvested prior to the LPP (or on or prior to the FPD if a LPP does not apply) for the PP crop for the same CY.

However, in accordance with the SP statement, **cover crops** may be hayed or grazed prior to the LPP or FPD without impacting eligibility for a PP payment.

For more information on cover crops, see paragraphs 31, 41, 42, and **Exhibit 5**;

- (6) For which planting history or conservation plans indicate that the acreage would have remained fallow for crop rotation purposes or on which any pasture or forage crop is in place on the acreage during the time planting of the insured crop generally occurs in the area. Cover crops that are seeded, transplanted, or that volunteer:
- (a) More than 12 months prior to the FPD for the insured crop that was prevented from being planted will be considered pasture or a forage crop that is in place (e.g., the cover crop is planted 15 months prior to the FPD and remains in place during the time the insured crop would normally be planted); or
  - (b) Less than 12 months prior to the FPD for the insured crop that was prevented from being planted will not be considered pasture or a forage crop that is in place;

Refer to paragraph 31 regarding pasture or forage.

- (7) That exceeds the number of acres eligible for a PP payment;
- (8) That exceeds the number of eligible acres physically available for planting (refer to paragraph 26A(2)-(3) for clarification of physically available for planting).
- (9) For which the insured cannot provide proof that he/she had inputs (including, but not limited to sufficient equipment and manpower) available to plant and produce a crop with the expectation of producing at least the yield used to determine the insured production guarantee or amount of insurance. Evidence that the insured previously had planted the crop on the unit will be considered adequate proof unless:

## **27. Acreage Which Is Not Eligible for PP Coverage (Continued)**

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- (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 PP payment if the insured has sufficient inputs to plant only 80 acres but the insured has already planted 80 acres and is claiming PP 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 subparagraph 26C. If the insured exhausts all of the eligible acres for the crop and uses another crop(s) remaining eligible irrigated acres to pay the irrigated practice for the crop claimed as PP, the insured must have a history of irrigating this amount of acreage in the same CY. For example, the insured had a history of 100 irrigated corn acres and 100 irrigated soybean acres, but the insured in the four most recent CYs has no history of ever irrigating 200 acres in the same CY. Refer to examples in paragraph 84 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 CYs;
- (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 CYs (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 CYs) except as allowed in paragraph 26C 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 paragraph 26 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 with remaining PP eligibility will be used. Acres used first will be from the insured crop that has the most similar (closest) PP payment to the crop type claimed as PP (the PP payment and premium will be based on the crop or crop type rolled to if the crop or crop type rolled to results in a lower PP payment) and subsequent acres used will continue on in descending order by per-acre PP guarantee. This ensures a policyholder will not be paid a higher payment than the crop or crop type claimed as PP when acres are borrowed from another crop. Refer to paragraph 84 for other examples of using remaining eligible acres of another type.

## **27. Acreage Which Is Not Eligible for PP Coverage (Continued)**

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- (12) When wheat acreage is short-rated (less than a full CY 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 CYs 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 bought the acreage;
  - (b) The insured leased the acreage (except acreage the insured leased the previous CY and continues to lease in the current CY);
  - (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).

## **28. PP Coverage for Spring Crops Intended to Follow a Failed Fall Crop**

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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:

- (1) The fall-planted crop failed and was not a cover crop, crop insurance coverage was not available for the fall-planted crop, and the insured is not eligible for any payment associated with the crop loss; e.g.: insured plants fall wheat in a county that only offers coverage for spring-planted wheat (there is no insurance available for fall wheat);
- (2) Failure of the fall-planted crop occurs prior to the time that planting of spring crops normally begins in the county;
- (3) No benefit, including any benefit under any USDA program, was derived from the failed fall-planted crop;
- (4) The fall-planted crop is not an established forage stand. Refer to paragraph 29 regarding PP eligibility when there is an established forage stand in place; and
- (5) An insurance policy with PP coverage is in place for the spring crop that is intended to be planted and there are no statements on the SP that would make the crop being claimed as PP uninsurable.

## 29. PP Coverage When There Is Pasture or Forage

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PP coverage will not be provided for any acreage on which any established pasture or other forage crop is in place<sup>1</sup> on the acreage during the time planting of the insured crop generally occurs in the area. However, in certain unique situations, the acreage may be considered eligible for PP coverage when:

- (1) The insured can demonstrate his/her intent (that meets the criteria in (2) below) to destroy an existing forage stand and plant a spring crop on the acreage but due to insurable causes was unable to destroy the forage stand and plant the spring crop (e.g., if chemical kill, plow-down, or chisel plow of the forage crop the fall before planting the ground to a spring crop is a recommended practice in the area, then that step must have been taken, unless the insured can provide documentation that an insured cause prevented that particular step); and
- (2) Items (a)-(e) ALL apply:
  - (a) If:
    - (i) Insurance under the Forage Production CP is available in the county, the forage crop must be an over-age stand or stand that is reduced such that insurance would not be available; or
    - (ii) Insurance under the Forage Production CP is not available in the county, the stand must be reduced such that the forage would not be further cared for by producers in the area and would normally have been removed; or
    - (iii) The insured can provide verifiable documentation that establishes the forage rotation practice, and that this would be the year the forage on this acreage would be rotated to another crop; or
    - (iv) Before it is time for the insured to destroy the forage stand (as part of a normal forage rotation practice), due to adverse conditions, it has been reduced such that insurance would not be available; if insurance is not available, it is reduced such that it would not be further cared for by producers in the area and would normally be removed; or
    - (v) The forage stand would have normally been removed in the fall for one of the reasons stated in (i)-(iv) above, but agricultural experts recommend that the stand not be removed to prevent soil erosion.
  - (b) No benefit (including any benefit under any USDA program) was derived from the forage crop;

The benefits received for cover crops planted for the EQUIP program on a cost share basis with NRCS/FSA or benefits received through NRCS's CSP program are not considered benefits from the forage crop as used in this subparagraph.

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<sup>1</sup> If it is more than 12 months prior to the FPD for the insured crop that was prevented from being planted, it will be considered pasture or a forage crop that is in place.

## 29. PP Coverage When There Is Pasture or Forage (Continued)

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- (c) Insureds with acreage of similar characteristics in the surrounding area were prevented from planting;
- (d) The insured provides documentation/proof to the AIP's satisfaction that the acreage would qualify as "Insurable Acreage" under the applicable policy provisions for the crop being claimed as prevented; and
- (e) An insurance policy with PP coverage is in place for the spring crop that is intended to be planted.

## 30. PP Coverage for An Intended Fall-planted or Spring-planted Crop Following a Spring-planted Crop from the Prior Crop Year

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An insured producer may be entitled to a PP payment for a crop with a fall-planting date or spring-planting date that was prevented from being planted by the FPD due to adverse weather preventing harvest of a mature spring-planted crop, **provided other producers** with acreage having similar characteristics in the surrounding area were also prevented from harvesting a mature spring-planted crop (due to adverse weather). In counties that have crops with only spring FPDs or both fall and spring FPDs (e.g., Small Grains), the insured crop must be prevented from being planted until the spring FPD in order to be eligible for a PP guarantee.

**Example 1:** A spring crop was planted in 2015. Due to excess moisture at the time the 2016 fall crop should be planted, the spring crop was not able to be harvested by the fall FPD and prevents planting of a fall-planted crop for the 2016 CY.

This also applies when a spring-planted crop was planted using good farming practices, but adverse weather prevented the spring-planted crop from ever maturing and being harvested timely (AIP granted additional time to harvest the crop) but subsequent adverse weather prevented field preparation and/or planting a spring crop by the FPD for the next crop year.

**Example 2:** A spring crop was planted in 2015. Due to excess moisture, the 2015 spring crop was prevented from being harvested by the calendar date for the end of the insurance period for the crop (AIP granted additional time to harvest the crop). Continued adverse weather prevented harvest or removal of the crop from the field until a late spring month of 2016. Subsequent spring weather conditions prevented field preparation and/or planting of the 2016 spring crop (e.g., 2016 canola) by the spring FPD due to the 2015 crop not being harvested.

### 31. PP Coverage for a Spring-Planted Crop Following a Fall-planted Crop in the Same Crop Year

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An insured producer may be entitled to a PP payment for a crop with a spring-planting date that was prevented from being planted by the FPD due to adverse weather preventing harvest of a mature fall-planted crop, provided:

- (1) other producers with acreage having similar characteristics in the surrounding area were also prevented from harvesting the fall-planted crop due to adverse weather; and
- (2) the insured meets the double-cropping criteria in Para. 43 along with the other required PP provisions.

### 32. Acceptable Cover Crops

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- (1) Refer to Exhibit 2 for the definition of “cover crop” and Exhibit 5 for a visual aid depicting the impacts of a cover crop on PP eligibility and amount of PP payment.
- (2) For insurance purposes the following will not be considered acceptable cover crops:
  - (a) Volunteer or cover plants that were seeded, transplanted, or that volunteer earlier than 12 months prior to the FPD for the insured PP crop and that remains in place during the time planting of the insured crop is general in the area.; or

**Example:** The insured had 2014 PP corn, and on May 28, 2014, the insured planted a cover crop that remains in place throughout 2014 and during the time corn would generally be planted in the area for the 2015 CY. Due to excess moisture, the insured claims PP soybeans in 2015. The cover crop still remained on the acreage. The cover crop could have been removed prior to the FPD for soybeans but was not. Since the plants (cover crop) were seeded, transplanted, or volunteered more than 12 months prior to the 2015 soybeans FPD they would be considered a crop in place (established), and the insured would not be eligible for a PP payment unless the insured meets all the requirements in paragraph 29 above.

- (b) A crop claimed as a cover crop that is enrolled and covered under NAP. Refer to Exhibit 2 for the definition of second crop and the clarification that follows that subsection.
- (3) When the cover crop planted is a crop that is commonly planted for silage, grazing, etc., in the area or for the type of farming operation the insured has (e.g. dairy operation), the adjuster must use extra caution in verifying whether the insured’s actual intent was to plant the crop as a cover crop or for the purpose of silage, haying, grazing, etc. Items that may be verified include but are not limited to:
  - (a) That the insured has the inputs to plant the crop claimed as PP;

## **32. Acceptable Cover Crops (Continued)**

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- (b) That the insured has a history of planting the crop claimed as a cover crop for hay, silage, grazing, etc.; and
  - (c) Whether the insured certified acreage at FSA this CY and if so, what use is shown for the acreage in question? Refer to paragraph 41 below for more information pertaining to how haying, grazing, or otherwise harvesting a cover crop planted on the same PP acreage may affect the PP payment.
- (4) Refer to NRCS website for cover crop guidelines and the “Cover Crop Termination Guidelines Non-Irrigated Cropland” at:

<http://www.nrcs.usda.gov/wps/portal/nrcs/site/national/home/>

**33-40 (Reserved)**

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## PART 4 PP PAYMENT REDUCTION DUE TO SECOND CROP, COVER CROP, OR VOLUNTEER CROP

In accordance with the Agricultural Risk Protection Act of 2000, Section 508a of the Federal Crop Insurance Act was amended and subsequently the BP was amended to limit PP payments when a second crop is planted on the same acreage in the same CY, except as allowed for acreage that qualifies for double-cropped acreage, as defined in the BP.

### 41. First Insured Crop Prevented From Being Planted and Second Crop or Cover Crop

#### (1) Cover Crop and/or Volunteer Crop

- (a) If a cover crop is planted prior to the end of the LPP (on or prior to the FPD if no LPP is applicable) for an insured crop that is prevented from being planted, PP coverage may be provided for the insured crop.

**Example:** The insured plants a cover crop in the fall of 2014, terminates the cover crop prior to the final planting date for 2015 corn, but subsequently is prevented from planting 2015 corn. The insured would be eligible for PP corn provided all other PP requirements are met.

- (b) The cover crop may be the crop prevented from planting (e.g., winter wheat), and may still retain eligibility for a PP payment, provided it is planted at the seeding-rate recommended by agricultural experts for the cover crop (not planted for harvest as grain). If the cover crop was planted prior to or during the LPP of the PP crop (e.g., winter wheat), PP eligibility is retained only if the cover crop is not hayed or grazed prior to November 1 or otherwise harvested at any time. However, if the cover crop is hayed or grazed prior to November 1 or otherwise harvested at any time, the insured is ineligible for a PP payment on such acreage.

**Example:** The insured was prevented from planting winter wheat by the FPD, but prior to the end of the LPP, the insured plants winter wheat as a cover crop to prevent soil erosion (seeding rate, fertilization, etc., consistent for a wheat cover crop) and does not hay, graze or otherwise harvest the cover crop.

- (c) If a volunteer crop is hayed<sup>2</sup>, grazed, or otherwise harvested (by insured or another person) within or prior to the end of the LPP (on or prior to the FPD if no LPP is applicable) for an insured crop that is prevented from being planted, no PP coverage is available.
- (d) If a cover crop planted after the LPP (or FPD if no LPP is applicable) or volunteer crop is hayed<sup>1</sup> or grazed by the insured or another person after the end of the LPP (FPD if no LPP is applicable) for an insured crop that is prevented from being planted and **prior to** November 1 or otherwise harvested any time of the CY, the PP payment will be reduced by 65 percent.

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<sup>2</sup> If the cover crop or volunteer crop is swathed or windrowed it will be considered to be hayed at that time.

#### 41. First Insured Crop Prevented From Being Planted and Second Crop or Cover Crop (Continued)

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- (e) If a cover crop planted after the LPP (or FPD if no LPP is applicable) of the crop claimed as PP or volunteer crop is hayed or grazed (by insured or another person) **on or after** November 1 of the CY in which an insured crop is prevented from being planted, the PP payment will not be reduced.
- (f) A crop harvested for grain, seed, etc., is presumed not to have been grown for conservation or soil improvement purposes and the policy provisions for second crops or crops planted prior to the end of the LPP, as applicable, will apply.

**Example 1:** Wheat is planted as a cover crop within or PRIOR to the end of the LPP (or on or prior to the FPD date if no LPP is applicable) of the crop being claimed as PP and is subsequently harvested for grain, seed, etc., (at any time), no PP payment can be made. If there is an active wheat policy and wheat is planted as a cover crop (verified that the seeding rate, fertilizer rate, etc., is consistent for a cover crop) and then is harvested as grain, seed, etc., the wheat acreage cannot be added to the acreage report as insurable acreage. Even though the wheat was harvested, the acreage is uninsurable since the Small Grains CP require wheat to be planted for harvest as grain in order to be insurable as is the case with most grain crops.

**Example 2:** If wheat is planted as a cover crop (verified that the seeding rate, fertilizer rate, etc., is consistent for a cover crop) AFTER the end of the LPP (FPD if no LPP is applicable) of the crop being claimed as PP and is subsequently harvested for grain, seed, etc., the PP payment is reduced by 65 percent. If the cover crop planted is wheat and is subsequently harvested as grain or seed and an active wheat policy exists, it cannot be added to the acreage report for the same reason stated in Example 1 above.

- (g) Refer to Exhibit 5 for visual aid depicting the impacts of a cover crop on PP eligibility and amount of PP payment.
- (2) If the insured is prevented from planting the first insured crop in the CY (except in the case of double cropping, as described in paragraph 43 below), the insured's options are as follows:
- (a) Not plant a second crop on the same acreage for harvest in the same CY and collect 100 percent of the PP payment for the acreage, provided no other party plants a second crop on this acreage. Refer to paragraph 42 below.
  - (b) Plant a second crop on the same acreage for harvest in the same CY. A cover crop or volunteer crop may be considered a second crop. Refer to paragraph 31 and the definition of second crop in Exhibit 2. When a second crop is planted and the insured does not qualify for double cropping (refer to paragraph 42 below), the following applies:

#### **41. First Insured Crop Prevented From Being Planted and Second Crop or Cover Crop (Continued)**

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- (i) The insured will receive 100 percent of an indemnity that may be due for the second crop (if insured) and 35 percent of the PP payment for the acreage of the first insured crop provided the second crop is not planted on or before the FPD or during the LPP (as applicable) for the first insured crop.
  - (A) For PP, the second crop does not have to be insured or suffer a loss before the PP payment for the first insured crop (PP acreage) is reduced to 35 percent.
  - (B) If a second crop is planted by someone else, the PP payment for the first insured crop will still be reduced to 35 percent.
- (ii) The insured is responsible for a premium for the first insured crop of PP acreage that is commensurate with the amount of the PP payment received for the first insured crop; i.e., 35 percent.
- (iii) When PP acreage is the first insured crop and is followed by a second crop, the insured must report and insure second crop acreage that meets all of the insurability requirements for the crop if there is an active policy in the county for the crop. The insured is responsible for paying the full premium for the second crop acreage that must be insured.

However, when a second crop is planted after the second crop's LPP due to an insured cause that prevented planting during the LPP, the insured is not required to insure the crop because in accordance with section 16(b) of the BP, the insured has the option of insuring or not insuring the second crop acreage. For example: The first insured crop was PP corn, and the insured plants second crop soybeans after the soybean LPP due to an insured cause preventing planting during the LPP. The insured opts to not insure the second crop soybean acreage and in this case, must report such acreage as uninsured.

- (iv) Subsequent crops planted will not affect the indemnity of second crop acreage.

#### **42. Additional Information Regarding Reduction When Acreage is Rented (Leased)**

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In addition to the insured planting a second crop (or cover crop when the cover crop is not considered a second crop; see paragraph 41 above), except in the case of double cropping as described in subsection C below, the following applies:

- (1) If the insured receives or will receive cash rent for use of the PP acreage (first insured crop):
  - (a) The insured is limited to only 35 percent of the PP payment due for such acreage.

## **42. Additional Information Regarding Reduction When Acreage is Rented (Leased)** **(Continued)**

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- (b) Another crop is planted, following first insured crop PP acreage, by the person cash renting the acreage is considered the second crop for both the person having the first insured crop and for the person that cash rented the acreage and planted a crop on this acreage.
- (2) If the first insured crop acreage (PP acreage) is not owned by the insured of the first insured crop acreage and the PP acreage is cash rented (leased) by the landlord to another person, the PP payment is limited to 35 percent of the PP payment due, if after the LPP (FPD if no LPP applies) for the PP crop, the other person cash renting the acreage:
  - (a) Plants a second crop on the acreage;
  - (b) Hays or grazes a cover crop or volunteer crop from the acreage prior to November 1;  
or
  - (c) Harvests (other than haying or grazing) a volunteer or cover crop from the acreage at any time.
- (3) If the first insured crop acreage (PP acreage) is share rented<sup>5</sup> to another person, the PP payment will be limited to 35 percent of the payment due if any of (2)(a)-(c) apply. Another crop later planted on the PP acreage is considered the second crop for both the person having the first insured crop and for the person share renting the acreage.

## **43. PP Payment As It Relates To Double-Cropping History**

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- (1) The insured may receive a full PP payment in the following situations IF ALL of the double cropping qualifications are met, as stated in subparagraph (2) and the:
  - (a) first insured crop was PP and the second crop is planted on the same acreage in the same CY, regardless of whether or not the second crop is insured or sustains an insurable loss;
  - (b) first insured crop was PP and the subsequent insured crop is prevented from being planted on the same acreage in the same CY (cannot call the subsequent PP crop a second crop since it is not a planted crop; refer to definition of second crop);
  - (c) first insured crop is planted and the subsequent insured crop is prevented from being planted on the same acreage in the same CY (cannot call the subsequent PP crop a second crop since it is not a planted crop); refer to definition of second crop); and
  - (d) first planted crop for the CY is uninsured but insurance is available for the uninsured crop (refer to footnote in (2)(b) below) and a subsequent insured crop is prevented from being planted on the same acreage in the same CY (the PP crop would be the first insured crop);

### 43. PP Payment As It Relates To Double-Cropping History (Continued)

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(2) Qualifying for double cropping history

IF all of the following conditions are met, the insured qualifies for double cropping:

- (a) It is a practice that is generally recognized by agricultural experts or the organic agricultural experts in the area to plant the insured crop for harvest following harvest of the first insured crop;
- (b) Additional coverage insurance offered under the authority of the Act is available in the county for the two or more crops that are double cropped (insured is not required to have additional coverage to qualify<sup>3</sup>);

**Example:** Wheat planted for harvest as grain would have insurance available under the ACT, but wheat planted for haying purposes would not.

- (i) For the purpose of determining double-crop history, both crops do not have to have been insurable or insured in prior years.

**Example:** For the current CY, the first insured crop is wheat, and the second crop is soybeans. Prior year records show wheat is followed by carrots (there is no insurance program for carrots) in at least two of the last four CYs. If soybeans are planted on the PP wheat acres, the PP wheat acreage qualifies for double cropping (entitled to 100 percent PP payment) due to the fact that there was double-cropping history wheat (carrots followed wheat).

- (ii) A crop that has been hayed or grazed (except an insured crop that was released for other use) will not count toward double-cropping history.
- (c) The second crop is NOT planted on or prior to the FPD, or if applicable prior to the end of the LPP on the first insured crop. If the second crop is planted on or prior to the FPD or prior to the end of the LPP, no PP payment can be made on the first insured crop.
- (d) The amount of acreage the insured claims as PP double cropping in the current CY does not exceed the number of acres for which the insured provides records, as required in (3) below.
- (e) The insured provides acceptable records as stated in (3) below.

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<sup>3</sup> The two crops claimed as qualifying double-cropped acreage must both be “insurable” in the current CY in order to qualify as double-cropped acreage for PP; i.e., insurance offered under the authority of the ACT is AVAILABLE in the county for both crops. Available means that a Federal crop insurance program is offered for the insured crop in the county by either having: (1) actuarial documents on file for the crop in the county (crop not required to be insured), or (2) if no actuarial documents are on file for the crop in the county, the crop is insured via a written agreement.

### 43. PP Payment As It Relates To Double-Cropping History (Continued)

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(3) Acceptable double-cropping records include but are not limited to: APH acreage and production records, settlement sheets, bin measurements, FSA maps, **or** FSA 578s that identify the acreage, production, and location from which the production came.

(a) Acceptable records listed above may be:

(i) The insured's own acreage and production records, acceptable to the AIP, that show the insured has double-cropped acreage in at least two of the last four CYs in which the insured crop that is prevented from being planted in the current year was planted in the county for which the PP claim is being made. In this situation, the double cropping exemption may be used anywhere in the county.

**Example:** If the insured has double cropped 100 acres of wheat and soybeans in the county and the insured acquires an additional 100 acres in the county, the insured can apply that history of double cropped acreage to any of the 200 acres in the county as long as it does not exceed 100 acres.

(ii) Another person's acreage and production records, acceptable to the AIP, that show the exact same acreage in the county on which the PP claim is being made, for the current CY was double cropped in at least two of the last four CYs in which the insured crop that is prevented from being planted in the current CY was grown by someone else and the insured acquired this exact same acreage. In this situation, the double-cropping exemption may only be used for the exact same acreage for which the double-cropping records were provided.

**Example:** If a neighbor has double cropped 100 acres of wheat and soybeans in the county and the insured acquires the neighbor's 100 double-cropped acres and an additional 100 acres in the county, the insured can only apply the neighbor's history of double-cropped acreage to the same 100 acres that the neighbor double cropped.

(b) For production from double-cropped acreage that was not kept separate from non-double cropped acreage:

(i) AIPs may allocate production in proportion to the liability for the acreage that was and was not double cropped, provided the yields are representative as described in (iii) below.

**Exception for allocating by liability:**

AIPs may divide total production by total acres to allocate commingled production when the:

(A) liability per acre is the same for the crop on the acreage that was and was not double cropped,

**43. PP Payment As It Relates To Double-Cropping History (Continued)**

- (B) crop was not insured or was not an insurable crop, or
- (C) liability is not known or is not readily available to be obtained (e.g., year in question is 10 or 11 years ago and was insured with different AIP).
- (ii) This allocation procedure applies to commingled production from the first crop that is double-cropped (i.e., wheat production from acreage planted to a second crop and not planted to a second crop) as well as the second crop that is double-cropped (i.e., soybean production from acreage planted after a first crop and not planted after a first crop). Refer to **paragraph 114** for first and second crop and commingled production in the LAM.
- (iii) AIPs must determine the amount of allocated production is representative of the yields per acre, for the particular year and area from both the double cropped and non-double cropped acreage (e.g., The amount of allocated production is reasonable compared to the average yields per acre for the area and that all such production would not have reasonably come from only the first crop acreage or the second crop acreage.).

**Clarification:** Potential production from appraised production (including acreage by-passed by a processor) of an insured crop would meet the requirement for records of acreage and production that show double-cropping history; provided it also meets the criteria in (2) above. Short-rated wheat acreage cannot be considered for double-cropping history since such acreage is not appraised and does not meet the criteria in (2) above.

- (4) Double cropping history is specific to the county/policy in which the PP claim is being made.
- (5) A crop that has been hayed or grazed (except an insured crop that was released for other use) will not qualify for historically double-cropping crop; i.e., a crop was planted and harvested and was followed by another crop on the same acreage within the same CY that was hayed or grazed.
- (6) This chart summarizes the effects planting a second crop and double cropping requirements have on PP payments and premiums of a first insured crop.

ACREAGE OF 1 <sup>ST</sup> INSURED CROP WAS PP			
Is a 2 <sup>nd</sup> crop (other than a cover crop) planted on the same acres?	Does the acreage qualify for double cropping?	Is the 2 <sup>nd</sup> crop planted on or before the FPD or during the LPP of the 1 <sup>ST</sup> insured crop?	Then the applicable percent of PP payment and premium for 1 <sup>ST</sup> insured crop is <u>  </u> :/:
NO	Not applicable	Not applicable	100%
YES	NO	NO	35%
YES	NO	YES	NONE
YES	YES	NO	100%
YES	YES	YES	NONE

1/ Additional restrictions may apply

#### **43. PP Payment As It Relates To Double-Cropping History (Continued)**

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- (7) Limitations of Number of Double Cropped Acres
- (a) The receipt of a full PP payment on both crops that are double cropped is limited to the number of acres for which the insured can demonstrate he/she has double cropped or that have been historically double cropped.
  - (b) Ratios for increasing PP eligibility do not apply to double-cropping history. For example, if the producer has the two years of required history and double cropped 40 acres one year and 50 acres in the other, then only 40 acres qualify for double cropping.
  - (c) If the first insured crop is PP wheat and a second crop is planted and the insured qualifies for 200 acres of double cropping wheat and reports 205 acres of PP wheat, the insured would only qualify to receive 100 percent payment on 200 acres, and the other 5 acres would be subject to the 35 percent PP payment and APH reduction.
  - (d) If the insured has 200 acres of double cropping history, and the first insured crop is 205 acres of planted wheat, and the subsequent insured crop is 205 acres of PP soybeans, the 5 acres would be removed from the acreage report because those acres do not qualify for a PP payment.
- (8) “FAC” and “NFAC” are considered cropping practices listed in the actuarial documents used to determine the insurability of a crop following another crop that meets certain conditions specified in the SP. A crop may be designated as NFAC if it is planted following a cover crop that meets the conditions in the SP, but is not considered double cropping. Refer to the SP for determining “FAC” and “NFAC” qualifications.
- (9) Refer to paragraph 82 for examples of determining double cropping eligibility.

#### **44. Revised Acreage Reports Due to Change in Status of a Second Crop or Disposition of Second Crop Acreage**

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Changes in the status of first insured crop due to the actions of the insured require a revised acreage report. Refer to paragraph 55 below.

#### **45. Loss Adjustment Involving First/Second Crop Acreage**

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- (1) When the insured does not meet the double cropping requirements, the AIP may allow the insured to certify to the following at the time of the first inspection and pay 100 percent of the PP payment (first insured crop) due; provided the insured owns or has control of the first insured crop acreage for the rest of the CY:
- (a) A second crop will not be planted on the PP acreage;

#### **45. Loss Adjustment Involving First/Second Crop Acreage (Continued)**

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- (b) An approved cover crop or volunteer crop will not be hayed or grazed from the PP acreage prior to November 1, or harvested (for other than haying or grazing) at any time); and
  - (c) The PP acreage will not be cash rented to another person.
- (2) If the insured is a tenant and does not have control of the land for the rest of the CY, an insured cannot certify to the items in subparagraph (1) above. However, the AIP may accept the landlord's certification to the items in subparagraph (1) above.
  - (3) If the AIP allows insureds to certify to the information listed in subparagraph (1) and based on this certification, the AIP pays 100 percent of the PP claim shortly after the first field inspection of the PP acreage, the AIP should spot check a percentage of these to verify that what the insured certified to (or the landlord certified to, if applicable) has not changed.
  - (4) If the AIP does not allow insureds (or a particular insured) to certify to the information in subparagraph (1), the AIP must make the first inspection as stated in paragraph 62 and, except when double cropping requirements have been met, will make an initial payment of 35 percent of the PP payment due if all other PP requirements are met.
  - (5) When 35 percent of the PP payment has initially been made, determination of whether the other 65 percent of the PP payment is due cannot be made until the earlier of:
    - (a) It is known that a cover crop or volunteer crop has been hayed or grazed prior to November 1;
    - (b) The insured (or the insured's landlord) certifies after November 1 that any volunteer or cover crop will not be harvested for other than haying or grazing; or
    - (c) The volunteer or cover crop has been plowed under or otherwise destroyed.
  - (6) Refer to paragraphs 61 and 62 for field inspection procedures of the PP acreage.
  - (7) Refer to paragraphs 72 and 74 for specific procedures for completing the first insured crop acreage claim (PP payment claim) when second crop acreage is involved.

#### **46-50 (Reserved)**

## PART 5 ACREAGE REPORTING

### 51. Reporting PP Acreage

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The acreage report is the primary tool for establishing the liability for all timely planted, LP and PP acres.

#### A. Insured's Responsibilities

The insured is responsible for:

- (1) On or before the acreage reporting date, reporting all timely planted, LP, and PP acreage along with any information required to complete an accurate initial acreage report. Filing a Notice of Loss on or prior to the acreage reporting date, even if the number of PP acres are reported on the Notice of Loss, is not considered as reporting PP acres for the acreage report (also see paragraph 52 below for acreage reporting dates). Likewise, the acres on an applicable submitted Intended Acreage Report is not considered as reporting PP acres for the acreage report.
- (2) Reporting the correct unit number in which the PP acres (fields) of the insured crop are physically located. The correctly reported acreage may be revised by the AIP when remaining eligible acres from another unit or crop must be used to make the PP payment as stated in paragraph 26C(8)(e).
- (3) Reporting any change in status of any PP acreage, including but not limited to the following changes:
  - (a) The insured certified a second crop would not be planted but it was subsequently planted (by the insured or any other person; e.g., by person to whom the insured (or landlord, if insured is the tenant rather than owner of the acreage) cash rented the acreage);
  - (b) The insured initially stated a second crop would be planted, but it was **never** planted on the PP acreage. The AIP verifies this to be true;
  - (c) The insured initially certified that the volunteer crop or cover crop would not be hayed or grazed, but the insured subsequently hayed or grazed the crop after the LPP (FPD if no LPP is applicable) for the PP crop but prior to November 1; or
  - (d) A volunteer or cover crop is harvested for other than haying or grazing at any time after the LPP (FPD if no LPP is applicable) for the PP crop (even after November 1). The PP payment for the first insured crop (PP) acreage is reduced to 35 percent of the PP payment if the cover crop WAS NOT planted within or prior to the LPP for the crop claimed as PP. If the cover crop was planted within or prior to the end of the LPP for the crop claimed as PP, no PP payment is allowed.

## **51. Reporting PP Acreage (Continued)**

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### **A. Insured's Responsibilities (continued)**

- (4) Identify on the acreage report (or on an attachment) all uninsurable and ineligible PP acreage and the factors used in that determination. Factors used to determine uninsurable and ineligible acreage include, but are not limited to the following:
  - (a) Acreage planted for an uninsurable use (e.g., planted for pasture, etc.),
  - (b) Adjustment of reported acreage due to eligible PP acreage limitations,
  - (c) A volunteer crop on the PP acreage (first insured crop) is hayed, grazed, or otherwise harvested prior to or within the LPP (prior to or on the FPD if no LPP is applicable) for the PP crop, etc.
- (5) A revised acreage report must be prepared by the agent as needed. See paragraph 55 for revised acreage report examples.
- (6) Acreage planted to the insured crop after the LPP (after the FPD for crops that do not have a LPP) must be reported appropriately as insured or uninsured acreage and must include the date planted.

### **B. AIP's Responsibilities**

The AIP is responsible for assuring that:

- (1) the adjuster and/or another person contracted or employed by the AIP is a certified loss adjuster and has followed the FCIC-issued procedures (in accordance with the SRA);
- (2) documentation of actions taken by the adjuster or AIP for verification and review of the PP claim is retained by the AIP;
- (3) insureds are informed that actions subsequent to the first insured crop (PP acreage) may reduce or negate their PP payment (actions by the insured or someone else). Refer to Part 4 for information regarding reduction or disqualification of PP payments; and
- (4) before processing a PP payment, the correct PP guarantee is used to process the PP claim.

### **C. Loss Adjuster's Responsibilities**

The loss adjuster is responsible for:

- (1) verifying:
  - (a) the number of PP acres and that the acreage claimed as PP is eligible for PP;

## 51. Reporting PP Acreage (Continued)

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### C. Loss Adjuster's Responsibilities (continued)

- (b) the insured was prevented from planting due to an insured cause of loss;
- (2) that all other PP requirements have been met; and
- (3) documenting how the determinations were made, any other pertinent information pertaining to the PP claim, and any other documentation requirements specified in this handbook and/or the LAM.

### D. Separate Line Entries on Acreage Report

- (1) Separate line entries are required on the acreage report for the following:
  - (a) Basic, enterprise, and optional units, and within each unit, separate line entries for differing practices, types, varieties, shares, APH yields, and risk classifications.
  - (b) For whole farm units, a separate line for each crop and for each crop with differing practices, types, varieties, shares, APH yield, and risk classifications;
  - (c) Timely planted acres (full production guarantee);
  - (d) LP acres, with a separate line entry for each day of planting during the LPP, or if insurable, acreage planted after the LPP or after the FPD for crops that do not have a LPP (with a reduced production guarantee based upon the planting date); and
  - (e) Eligible PP acres eligible for 100 percent of the PP payment. Refer to Part 4.
  - (f) Eligible PP acreage limited to 35 percent of the PP payment. Refer to Part 4.
- (2) The total amount of PP and planted acres cannot exceed the maximum number of acres eligible for PP coverage.

### E. Identifying PP Acreage on the Acreage Report

For...	Enter...
acreage eligible for a PP payment	as instructed by the AIP, the respective PP coverage codes "P2, PF, or PT" or respective PP coverage percentage. The appropriate guarantee will be applied by line. Refer to PP codes in paragraph 72A.

No Code = 100 percent premium for PP acreage.

PR = A premium reduction (65 percent) for first insured crop (PP) when the PP payment is also reduced 65 percent.

## **51. Reporting PP Acreage (Continued)**

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### **E. Identifying PP Acreage on the Acreage Report (continued)**

RP = Revised acreage report to restore the premium to 100 percent.

Multiple cropping codes shown on acreage reports or a Summary of Coverage are as follows:

## **52. Acreage Reporting Date**

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- (1) If all insurable acreage is planted by the FPD, the acreage report is due by the published acreage reporting date for the crop shown in the SP, unless the insured insures multiple crops. If the insured insures multiple crops with the same AIP with FPDs on or after:
  - (a) August 15 but before December 31, the acreage reporting date for all such crops will be the latest applicable acreage reporting date for such crops with these FPDs.
  - (b) December 31 but before August 15, the acreage reporting dates for all such crops will be the latest applicable acreage reporting date for these crops with these FPDs.
- (2) For LP, PP, or a combination of timely planted, LP, or PP acreage, the acreage report is due the later of:
  - (a) the date for the crop shown in the SP, or
  - (b) if multiple crops are insured with the same AIP, the latest applicable reporting date for such crops (FPDs of August 15 but before December 31, and December 31 but before August 15) are considered two separate reporting dates), or
  - (c) 5 days after the end of the LPP (no LPP for ELS cotton or wheat and barley under the terms of the Winter Coverage Endorsement.)
- (3) Filing acreage reports for LP or PP acreage does not extend the policy-stated acreage reporting period nor the 10-week requirement for acreage data transmission for full commission reimbursement.

## **53. Premium**

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- (1) The premium for PP is based upon the original per-acre production guarantee for timely planted acreage, less any premium for acreage deleted (by a revised acreage report) that was not eligible for PP coverage. If the premium amount for acreage that the insured is required to pay (gross premium less FCIC subsidy) for PP acreage exceeds the liability on such acreage, no premium will be due (coverage will not be provided for those acres and no PP payment will be paid for such acreage). For premium reduction when the first insured crop is prevented from being planted, and a second crop is subsequently planted or other actions taken on the PP acreage that requires reduction of the first insured crop PP payment, refer to Part 4.

### 53. Premium (Continued)

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- (2) When there is a Hail and Fire Exclusion in effect for a crop, premium is not reduced on acreage of the crop eligible for PP.

### 54. Intended Acreage Report

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- (1) WHEN, IN THE FOUR MOST RECENT CYS, AN INSURED DID NOT PLANT ANY CROP IN THE COUNTY FOR WHICH PP INSURANCE WAS AVAILABLE OR HAS NOT RECEIVED A PP INSURANCE GUARANTEE, the insured must do the following:

Complete and submit an intended acreage report to the AIP for the purpose of establishing the potential maximum number of eligible PP acres:

- (a) On or prior to the SCD, unless the following situation applies: If both fall-seeded and spring-seeded crops are insured on the policy and there have been no planted or reported PP fall-seeded acres, this report may be submitted by the next subsequent crop(s) SCD); or
- (b) Within 10 days of the time the insured acquired the acreage if on the SCD, the insured did not have any acreage in a county and subsequently acquires acreage, by a method described in paragraph 26C(1) or (2), in time to plant the insured crop using a good farming practice.
- (2) For the purpose of determining the maximum eligible number of PP acres, the total number of acres reported on the intended acreage report cannot exceed the number of acres of cropland available for planting in the insured's farming operation at the time the report is submitted.
- (a) To conform with this policy provision, if the total acres submitted on the intended acreage report exceeds the number of cropland acres in the insured's farming operation, the AIP must reduce any over-reported acres on a pro-rata basis, as shown below, so the total acres do not exceed the actual acres available for planting at the time the report was submitted.
- (b) Steps for prorating total acres and example when the acres on the intended acreage report exceed the cropland acres at the time the intended acreage report is submitted:

The cropland acres for this example are 700 acres

**Step 1:** Total the number of acres on Intended Acreage Report.

425.0 acres – soybeans  
1,000.0 acres – corn  
+ 575.0 acres – Dry Beans  
2,000.0 Total Acres (TA)

## 54. Intended Acreage Report (Continued)

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**Step 2:** Divide the acres of each crop by the total acres reported for each crop, rounded to a 4-place factor.

$$425.0 \text{ acres soybeans} / 2,000.0 \text{ TA} = .2125$$

$$1,000.0 \text{ acres corn} / 2,000.0 \text{ TA} = .5000$$

$$575.0 \text{ acres dry beans} / 2,000.0 \text{ TA} = .2875$$

**Step 3:** Multiply the 4-place factor for each crop by the cropland acres available, rounded to whole acres.

$$\text{Soybeans} - .2125 \times 700.0 \text{ cropland acres} = 149 \text{ prorated acres}$$

$$\text{Corn} - .5000 \times 700.0 \text{ cropland acres} = 350 \text{ prorated acres}$$

$$\text{Dry Beans} - .2875 \times 700.0 \text{ cropland acres} = 201 \text{ prorated acres}$$

**Step 4:** Adjust the acres for each crop on the intended acreage report to the acre results for each crop as illustrated in Step 3.

(3) If the insured acquires additional acreage after the AIP accepts the intended acreage report:

The number of acres on the intended acreage report (or adjusted intended acreage report if (2) above applies) may be increased by multiplying the acres by the ratio of the total cropland acres that the insured is farming in the current CY (if greater) to the number of acres listed on the intended acreage report, provided:

- (a) the insured submits proof to the AIP that for the current CY, the insured acquired the acreage by a method described in paragraph 26C in time to plant using a good farming practice; and
- (b) no cause of loss has occurred at the time the insured acquired the acreage that may prevent planting.

**Example:** There were 700 acres on the intended acreage report submitted on the SCD, and 200 acres were subsequently added to the insured's farming operation.

Insured notifies the AIP within 10 days after acquiring acreage and provides proof of the method he/she acquired the cropland. It is determined it was acquired in time to plant using good farming practices.

Current cropland acres divided by acres on intended acreage report ( $900/700 = 1.286$ , rounded to 3-places)

Multiply the factor (1.286) by the acres of each crop on the intended acreage report to increase the acres of each crop proportionately.

#### 54. Intended Acreage Report (Continued)

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- (4) When it is found that the insured had previously planted a crop for the same CY (e.g., winter wheat) and the insured had submitted an intended acreage report for spring planted crops, the insured's cropland acres must be adjusted for the planted acres before the calculation for pro-rating acres as indicated in (2) or (3) above.

**Example:** The insured qualifies for an intended acreage report for the county. There are 1,000 cropland acres and 300 acres of winter wheat planted. The Intended Acreage Report submitted prior to the SCD for the spring crops shows 500 acres of corn and 500 acres of soybeans. The 1,000 acres of cropland acres must be reduced to 700 acres (1,000 cropland acres minus 300 acres of planted winter wheat) for the purpose of establishing the number of corn and soybeans acres on the intended acreage report. Use the rules in (2)(b) above to reduce the acres, which would result in 350 acres of corn and 350 acres of soybeans.

- (5) Revision of eligible PP acres established by the AIP-accepted intended acreage report.

- (a) Once eligible PP acres are established by the AIP-accepted intended acreage report, by crop, as stated in (2)-(4) above, the intended acreage report cannot be altered (revised), unless the reasons in (b) apply.

**Example:** Situation when the intended acreage report cannot be revised. The intended acreage report indicates 1,000 acres of corn. The intended acreage report cannot be revised to show 500 corn acres and 500 soybean acres. The eligible PP acres must remain as 1,000 corn acres and this is the only crop on which the insured can claim PP. Also, see example in paragraph 56C below (revised acreage report examples).

- (b) Previously AIP-accepted (processed) intended acreage reports must be revised when the acres on the intended acreage report exceed cropland acres. See the steps and example in (2)(b) above. Use the same steps to reduce the acres to the number of cropland acres.
- (6) In order for the Application or Application/Acreage Report to be used for the insured to submit an "Intended Acreage Report," there must be a block clearly entitled "Intended Acreage" to record the acreage intended to be planted for a crop. This "Intended Acreage" block must be used ONLY for the purpose of establishing eligible PP acreage when the insured qualifies for an Intended Acreage Report. Acreage entered in a block marked "Acreage or "Est. Acres" or "Estimated Acreage" or "Preliminary Acres" cannot be considered "intended acreage."

#### 55. Misreported PP Information on the Acreage Report or Failure to Report Any PP acreage for A Crop on the Acreage Report

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- (1) Refer to paragraph 56 for information about revising the PP information on an acreage report.

## **55. Misreported PP Information on the Acreage Report or Failure to Report Any PP acreage for A Crop on the Acreage Report (Continued)**

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- (2) If no PP acreage is reported on the acreage report by the acreage reporting date, no revisions can be made to the acreage report to add PP acreage. Refer to paragraph 56A below.
- (3) Filing a Notice of Loss on or prior to the acreage reporting date, even if the number of PP acres is reported on the Notice of Loss, is not considered as reporting PP acres for the acreage report. The insured must still report these acres on the required acreage report form by the acreage reporting date.

## **56. Revised Acreage Reports**

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### **A. When Insureds Can and Cannot Revise PP Acreage Report Information**

- (1) **ON OR BEFORE THE ACREAGE REPORTING DATE** – The insured can change any information on any initially submitted acreage report, except as provided in (3) below without the AIP's consent. For example, the insured can add acreage of the insured crop, or correct a share.
- (2) **AFTER THE ACREAGE REPORTING DATE** - PP acres for a crop that were not reported by the acreage reporting date cannot be added after the acreage reporting date. This would apply if the insured reported "0" acres or if the insured reported the incorrect acres. However, with the AIP's approval, PP acreage information can be revised by the AIP after the acreage reporting date if the insured can provide adequate evidence that the AIP, agent or someone from the USDA committed an error regarding the acreage information the insured reported. Refer to the LAM for correctable errors.
- (3) The insured **CANNOT** revise the insured's initially submitted acreage report **AT ANY TIME** (and the AIP cannot approve) to change the insured crop or type that was reported as prevented from planting on the acreage report, unless the insured can provide adequate evidence that the insured did report the correct crop or type, but the AIP, agent, or someone from the USDA committed an error regarding the crop or type shown on the processed acreage report.

### **B. When the AIP Must Revise the PP Acreage Report**

The AIP must process revised acreage reports for PP acres in the following situations:

- (1) The acres are not eligible for PP payment for the following reasons:
  - (a) The reported PP acres on the acreage report exceed the number of acres for the crop, crop type, or variety on the intended acreage report (when intended acreage report is applicable to establish the maximum eligible PP acres) and the insured does not qualify for increasing the intended acres as specified in subparagraph C, the acreage report must be revised to reduce the acres to those established on the intended acreage report for the crop;

## 56. Revised Acreage Reports (Continued)

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### B. When the AIP Must Revise the PP Acreage Report (continued)

- (b) There were PP acres on the insured's acreage report for a crop that requires the insured to submit an intended acreage report by the specific deadline (refer to subparagraph C to establish the maximum eligible PP acres) and:
  - (i) The insured failed to turn in the required intended acreage report or failed to submit it by the deadline set forth in subparagraph C;
  - (ii) The total number of acres on the intended acreage report exceeds the cropland acres in the insured's farming operation;
  - (iii) A cause of loss occurred that may prevent planting before the acreage was acquired;
- (c) The acreage is not insurable;
- (d) The insured was not prevented from planting due to an insured cause; or
- (e) Any other reason that the reported PP acres are not eligible for a PP payment. Refer to subparagraph C below for additional reasons acreage would not be eligible for PP payment.

These situations may have occurred because the acreage was reported incorrectly (i.e., it never qualified) or because the insured's action disqualified the acreage reported as PP. If the adjuster discovers during the loss adjustment inspection that the acreage report has not been revised when the situation requires that it be revised, the adjuster must provide the AIP with the information needed for the revision.

- (2) All the PP acres reported for the unit are found to be ineligible for PP coverage. However, if there is a combination of planted and PP acres, revised acreage reports to delete ineligible PP acres do not have to be made by the adjuster/AIP at the time the PP claim is worked, unless the AIP's claim processing system will not automatically:
  - (a) Refund excess premium, and
  - (b) Reduce the liability to the "determined liability" for over-reported PP acres.

**Example:** The liability calculated from the acreage report for the unit is \$180 (\$100 for LP acreage and \$80 for PP acreage). However, the "determined acres" liability is \$150 (\$100 for LP and \$50 for PP acreage). Premium would be refunded for the over-reported PP acres.

- (3) Revisions to raise liability at loss time are not permitted except as noted in the examples below and as stated in the LAM.

**56. Revised Acreage Reports (Continued)**

**C. Examples of Required Revised Acreage Reports for PP Acres**

<b>IF...</b>	<b>THEN...</b>
the insured initially certifies PP acreage will be left idle, but the insured later plants it to a second crop within the LPP for the PP crop, and the insured does not meet the double cropping requirements,	revise the acreage report to delete this ineligible PP acreage. If the insured has an active policy for the crop planted, and the crop has not been reported, the acreage report may be revised to add the crop acreage if it is prior to the acreage reporting date for the planted crop. If it is after the acreage reporting date for the planted crop, the revised acreage report may be revised to add the crop as insured acreage IF a crop inspection is performed and the crop meets the criteria for accepting unreported acreage (unreported unit, if applicable), as outlined in procedures for crop inspections in the LAM.
the insured reported PP acres for a crop for which no eligible PP acres are provided under the policy (e.g., 100 acres of soybeans with no crop insurance history) but has eligible PP acres for another crop (e.g., 90 acres of corn).	Refer to paragraph 84 for example.
the insured reported 100 PP acres of black turtle beans, and the insured's dry bean history in the 4 most recent policy CYs shows the maximum acres for types of dry beans are: 10 acres for black turtle beans and 90 acres for navy beans	revise the acreage report to show 10 acres of PP acres for black turtle beans and 90 acres PP for navy beans.
acreage reported as PP is found to not be eligible for PP coverage	revise the acreage report to delete this ineligible acreage from the acreage report.
acreage reported as PP acres to be left idle, is planted to the crop reported as PP <b>after</b> the LPP (after the FPD if LPP is not applicable), and after the acreage reporting date.	revise the acreage report within 5 days after planting is complete to delete the PP acreage. If acreage is planted after the LPP (or after FPD if LPP is not applicable), the acreage report will be revised to show the acreage as insured (if a crop inspection is performed and the crop meets the criteria for accepting unreported acreage, as outlined in the LAM) or uninsured depending on the insured's choice.
it is verified that the PP acreage of the insured crop is physically located in a different unit than was reported on the initial acreage report,	revise the acreage report to reflect the correct unit in which the PP acreage is located.
the number of reported PP acres exceeds the number of acres eligible for a PP payment,	revise the acreage report to delete the number of acres that exceed the number of acres eligible for a PP payment.
the acreage reported as PP according to the insured's practices/rotational requirements show the acreage would have remained fallow or been planted to another crop than the crop reported as PP,	revise the acreage to remove the ineligible acres.

**56. Revised Acreage Report (Continued)**

**C. Examples of Required Revised Acreage Reports for PP Acres (continued)**

<b>IF...</b>	<b>THEN...</b>																					
<p>the number of PP and planted acres reported do not match the PP and the planted acres that were determined to exist and the total number of determined acres do not exceed the reported acres for the unit; and the:</p> <p>(1) PP acres are not increased, and all other PP eligibility requirements are met, and</p> <p>(2) planted acres pass a crop inspection in accordance with the criteria for increasing liability stated in the LAM.</p>	<p>revise the acreage report to reflect the number of acres of PP and planted acres that were actually determined to exist.</p> <p><b>Example:</b></p> <table border="0" style="width: 100%;"> <tr> <td style="width: 30%;">Reported Acres</td> <td style="width: 30%;">50 planted</td> <td style="width: 40%;">\$ 5,000 liab.</td> </tr> <tr> <td></td> <td>100 PP</td> <td><u>\$ 6,000 liab.</u></td> </tr> <tr> <td></td> <td>Total liab. =</td> <td>\$11,000 liab.</td> </tr> <tr> <td> </td> <td></td> <td></td> </tr> <tr> <td>Determined Acres</td> <td>75 planted</td> <td>\$ 7,500 liab.</td> </tr> <tr> <td></td> <td>75 PP</td> <td><u>\$ 4,500 liab.</u></td> </tr> <tr> <td></td> <td>Total liab. =</td> <td>\$12,000 liab.</td> </tr> </table> <p>If the planted acreage did not pass the crop inspection, the PP acres that were not prevented from planting (25 acres in this case) would have to be removed, and the planted acreage could not be added.</p>	Reported Acres	50 planted	\$ 5,000 liab.		100 PP	<u>\$ 6,000 liab.</u>		Total liab. =	\$11,000 liab.	 			Determined Acres	75 planted	\$ 7,500 liab.		75 PP	<u>\$ 4,500 liab.</u>		Total liab. =	\$12,000 liab.
Reported Acres	50 planted	\$ 5,000 liab.																				
	100 PP	<u>\$ 6,000 liab.</u>																				
	Total liab. =	\$11,000 liab.																				
Determined Acres	75 planted	\$ 7,500 liab.																				
	75 PP	<u>\$ 4,500 liab.</u>																				
	Total liab. =	\$12,000 liab.																				
<p>in the 4 most recent policy CYs, an insured has not planted any crop in the county for which PP insurance was available or has not received a PP insurance guarantee, and the insured:</p> <p>(1) reports that he/she intends to plant all his/her cropland acres (1,000 acres) to fall wheat on the Intended Acreage Report prior to the SCD closing date for fall wheat, and</p> <p>(2) the insured later reports 500 PP acres for wheat and 500 PP acres for corn on the Acreage Report by the acreage reporting date,</p>	<p>revise the acreage report to list 1,000 wheat PP acres if it is determined that the insured was prevented from planting all 1,000 acres of wheat due to an insurable cause. If it is determined the wheat acres were prevented from planting, the acreage report must be revised to 1,000 wheat PP acres because the insured did not have any eligible PP acres for corn due to the eligible acres being established on the intended acreage report in accordance with the BP (i.e., eligible PP acres for producer who in the 4 most recent policy CYs has not planted any crop in the county for which PP insurance was available or has not received a PP guarantee). If there was no wheat prevented from planting, no PP payment can be paid for PP corn or soybeans.</p>																					
<p>a 100 acre field of corn is PP and reported as PP corn. The insured plants 30 acres of soybeans after the LPP for corn in the same field (the insured has no history of planting both corn and soybeans in this field in the same CY in any one of the four most recent CYs),</p>	<p>the insured qualifies for a 35% PP corn payment on the 30 planted acres of soybeans since the soybeans are planted after the LPP for corn; and</p> <p>the remaining 70 acres in the field qualify as 100% PP corn payment since the PP corn was the first insured crop and the planted soybeans would be considered a second crop.</p>																					

**57-60 (Reserved)**

## PART 6 FIELD INSPECTIONS

### **61. General Field Inspection Information**

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During the field inspections verify all of the following, and document all applicable items:

- (1) Whether there was an insured cause of loss that prevented the insured from planting the insured crop, and if so, what the insured cause of loss was;
- (2) Whether the insured cause of loss occurred during the PP insurance period;
- (3) Whether PP acreage was or will be planted to a second crop by the insured and the planting date if a crop was planted at the time of the inspection;
- (4) Whether PP acreage was or will be planted to a cover crop that was or will be hayed, grazed, or otherwise harvested, and if it was hayed, grazed, or otherwise harvested at the time of the inspection, the date of such disposition and if otherwise harvested, explain what that was;
- (5) Whether a volunteer crop was or will be hayed, grazed, or otherwise harvested, and if it was hayed, grazed, or otherwise harvested at the time of the inspection; the date of such disposition and if otherwise harvested, explain what that was;
- (6) Whether the insured will receive cash rent for any of the PP acreage;
- (7) If the land is not owned by the insured, whether the insured's landlord cash rented or is going to cash rent the PP acreage to another person for the purpose of planting a crop for harvest, or haying or grazing a cover crop or volunteer crop prior to November 1, or harvesting the cover crop or volunteer crop for other than haying or grazing at any time; and
- (8) Whether PP acreage was left idle.

### **62. When Field Inspections are to be Done**

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- (1) An inspection must be made as soon as possible after the AIP has received the insured's PP notice to ensure an insured cause of loss occurred during the PP insurance period and to ensure the cause of loss did prevent the acres from being planted when:
  - (a) There is not a known cause of loss in the geographic area where the insured states he/she has been prevented from planting;
  - (b) Only a minimal percentage of the insureds in the AIP's book of business for a particular area turned in PP notices;
  - (c) It does not seem reasonable for the respective acreage to have been prevented from planting (e.g., acreages of lower elevation have been affected but this acreage is of higher elevation and should not have been affected); or

**62. When Field Inspections Are to be Done (Continued)**

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- (d) The AIP has reason to suspect the insured of misrepresentation in the past.
- (2) In geographic areas where a known cause of loss has prevented planting (unless (1)(c) or (d) applies), at least one field inspection must be made by the earlier of:
  - (a) Fifty-five (55) days after the FPD (the LP date for the crop in the county for spring-seeded barley, oats or wheat) for the insured crop, or
  - (b) The general harvest date for the crop in the area. At that time, a revised acreage report must be prepared if necessary (refer to paragraph 55), and the PP claim finalized if possible.

IF...	THEN...
<p>On the first inspection of the PP acreage the insured states he/she does not plan to:</p> <ul style="list-style-type: none"> <li>(a) plant a second crop for harvest,</li> <li>(b) plan to hay, graze or otherwise harvest a cover crop or volunteer crop, or</li> <li>(c) cash rent the acreage and the insured owns the acreage or has control of the acreage for the CY via a lease agreement.</li> </ul>	<p>the AIP may obtain a signed certification from the insured stating such and pay the insured 100 percent of the PP payment, provided all other PP eligibility requirements are met. Refer to paragraph 45 for additional information.</p>

- (3) Final inspections/PP payments cannot be made until after the end of the LPP for the PP crop (FPD if no LPP is applicable) because all eligibility requirements cannot possibly be verified prior to this date since planting a crop prior to this date affects eligibility.

**63-70 (Reserved)**

## PART 7 CLAIMS

### 71. Replanting Payment Claim Eligibility

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Replanting payment eligibility is determined on a unit planted-acre basis. Acreage prevented from being planted is not considered when determining eligibility for a replant payment. See additional information about replanting payments in the LAM and the appropriate crop handbook.

### 72. General PP Payment Claim Information

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#### A. PP Codes for Claims

PP Codes	Explanation
P2	Used when the PP coverage for the insured crop stated in the BP is applicable and acreage of the insured crop is prevented from planting.  Applicable policy percentage is 60 percent coverage for all crops eligible for PP except: hybrid seed corn, cotton, ELS cotton, and peanuts (50 percent); rice and sugar beets (45 percent); green peas, processing beans, and processing sweet corn (40 percent); onions and tobacco (35 percent); and potatoes (central and southern and northern) (25 percent.)
PF	Used when the insured has additional coverage and elects a 5 percent increase of the policy stated PP coverage, if provided in the actuarial documents, by the SCD and acreage of the insured crop is prevented from planting and all requirements for a PP payment have been met.
PT	Used when the insured has additional coverage and elects a 10 percent increase of the policy stated PP coverage, if provided in the actuarial documents, by the SCD and acreage of the insured crop is prevented from planting and all requirements for a PP payment have been met.
PA	Indicates “planted acres;” i.e., not prevented from planting. Used only when a claim is prepared solely as a PP payment.
P2P, PFP, or PTP	Used ONLY on an Indemnity Payment claim (planted acres) when a PP Payment Claim was previously paid or prepared via a PP Payment Claim. These codes indicate a PP payment (showing the appropriate PP coverage) was previously paid or will be paid for the acreage shown on that line of the claim form; i.e., if a PP payment for 25 acres of corn at 60 percent PP coverage was previously paid, the line with the 25 acres would be coded “P2P.”

**72. General PP Payment Claim Information (Continued)**

**B. PP Claim Entry Instructions**

With the exception of the instructions for PP acreage in the following table, adjusters are to follow instructions in the appropriate crop handbooks.

Item Name	Entry Instruction
<p>“Date Harvest Completed” column of the claim form</p>	<ul style="list-style-type: none"> <li>▪ If insured crop acreage was prevented from being planted to the intended crop and such acreage meets all of the requirements for a PP payment, enter “P2,” “PF,” or “PT” as appropriate for the insured’s selected PP coverage.</li> <li>▪ If any acreage on the unit was planted to the insured crop, determine the entry as instructed in the appropriate crop handbook.</li> </ul>
<p>“Stage” column of the claim form</p>	<ul style="list-style-type: none"> <li>▪ When acreage is eligible PP acreage, enter the appropriate PP code.</li> <li>▪ If the claim is being prepared solely for a PP payment, enter “PA” for any acres that have been planted.</li> <li>▪ If the claim is being prepared solely for an Indemnity Payment Claim, and there has been a previously prepared PP claim, enter, as appropriate, “P2P,” “PFP,” or “PTP.”</li> </ul> <p>See codes in Table in subparagraph A above.</p>
<p>“Use of Acreage” column of the claim form.</p>	<ul style="list-style-type: none"> <li>▪ If PP code in the “Stage” column is P2, enter “P2.”</li> <li>▪ If PP code in the “Stage” column is PF, enter “PF.”</li> <li>▪ If PP code in the Stage column is PT, enter “PT.”</li> <li>▪ If code in the Stage column is PA, enter “Planted Acres.” USE ONLY ON CLAIMS PREPARED SOLELY FOR PP PAYMENT.</li> <li>▪ If code in the Stage column is P2F, PFP, or PTP, enter “Prev. Paid.”</li> </ul>

**C. Multiple Cropping Codes on the Claim Form**

Refer to the LAM for specific codes and entry instructions when a crop (second crop) has been planted on any of the PP acreage that is the first insured crop or there are other actions taken on the same acreage that affect the PP payment. Refer to Part 4 herein.

### 73. How PP Affects APH

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- (1) PP acreage not limited to 35 percent

PP acreage upon which the PP payment was not limited to 35 percent (i.e., a second crop was not planted (second crop as defined in the BP) within the same CY) will NOT be included in APH records when there are planted and PP acres within the same unit; e.g., 100 acres PP and 200 acres planted within the same unit - only the 200 planted acres will be reported on the APH record for the unit. If none of the acreage for the unit was planted, it will be considered a zero-planted year for APH record purposes.

- (2) PP acreage limited to 35 percent

If the PP payment is limited to 35 percent (i.e., a second crop is planted on the PP acreage (second crop as defined in the BP) within the same CY and the insured acreage does not qualify for double cropping), the insured will receive a yield equal to 60 percent of the approved yield for the first insured crop PP acreage to calculate the insured's average yield for subsequent CYs on this acreage. This is true even when the PP payment may have been based on another crop. For example: The insured met all policy requirements for a PP payment for corn but did not have any remaining PP acres for corn but did for soybeans. So, the PP payment is based on soybeans. If a second crop is planted, the corn APH yield will be impacted.

### 74. PP Payment Determinations

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- (1) The guarantees for timely, LP, and PP acreage are determined separately. Production from planted acreage (timely and LP) is not counted against the PP guarantee.
- (2) Claims

A claim for a PP payment can be made separate from a claim for timely and LP acres or they can be combined onto one claim form (Production Worksheet (PW), hereafter, called PW.)

- (a) PP Payment Claim

When preparing a separate claim for a PP payment, the PP acreage and PLANTED acres must be shown on the PW. For example: If 70.0 acres were planted and 30.0 acres were prevented from planting, the PW will be completed as follows: The line with the 70 "planted" acres will show the appropriate entries in the "Stage" and "Use of Acreage" columns as indicated in the tables in paragraph 72A and B above. The line with the 30 PP acres will be coded "P2," "PF," or "PT," respectively, in the "Stage" and "Use of Acreage" columns. The "Total" final acres for the unit will be 100.0 acres. Only the line of PP acres will be transmitted to the RMA Policy Acceptance and Storage System.

## 74. PP payment Determinations (Continued)

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If the first insured crop on the acreage is PP and part of the PP acreage is or will be planted to a second crop, the PP acres that are or will be planted to a second crop must be shown on a separate line of the PW from the other PP acreage.

### (b) Indemnity Payment (planted acres) Claim

If a PP claim has already been prepared and submitted previous to an Indemnity Payment (planted acres) claim, or the AIP prefers that separate PW's are prepared for each type of claim, list the planted acres as instructed in the appropriate crop handbooks. List the PP acres for which a separate claim form has already been prepared, and make the appropriate entries (as instructed in paragraph 72A and B above) in the "Stage" and "Use of Acreage" columns that indicate the PP payment has already been made. This would also include acreage planted after the LPP due to an insured cause that prevented planting prior to the respective crop's FPD or during the LPP for the respective crop.

**Example:** If there are 100 acres in the unit, the PW would be prepared as follows: A separate PP payment was previously paid on the 30 acres. The 70 acres of planted acres have been harvested. On the line with the 70 acres, the entry in the "Stage" column would be "H" and the entry in the "Use of Acreage" column would be "H." On the line showing the 30 acres of previously paid PP acres (60 percent PP coverage), the "Stage" column entry would be "P2P," and the "Use of Acreage" column entry would be "Prev. Paid." The entry for "Total" final acres for the unit would be 100.0 acres.

### (c) Combination Indemnity Payment (planted acres) and PP Payment Claim

If the insured is eligible for a PP payment, which has not been claimed previously, and an indemnity payment is due for the planted acres, a combination of both types of claims can be entered on the same PW form.

- (i) For all lines of planted acres, follow the instructions in the appropriate crop handbook for making the appropriate claim entries.
- (ii) For all lines of PP acres, make the appropriate claim entries as instructed in paragraph 72A and B above.
- (iii) The indemnity payment for the planted acres will be determined separately from the PP payment.

(d) **Documentation:** In the Narrative of the PW, document the following: The crop with remaining eligible acres and closest PP payment to the crop claimed as PP that was used, and which crop was used to pay the PP claim. Refer to Para. 84 for information regarding these determinations.

- (3) The AIP must be reasonably certain that PP acreage is not shared in common between two or more crops insured through different AIPs before finalizing a PP claim.

#### 74. PP payment Determinations (Continued)

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- (4) The PP acreage reported on the acreage report for the unit will be considered the PP acres for the unit UNLESS ineligible PP acreage was reported or the insured did not meet all of the PP coverage requirements.
  - (a) Verify that all of the requirements for PP coverage were met and that all of the acres reported as PP are eligible PP acres.
  - (b) If the insured is not eligible for a PP payment for some of the PP acres reported, the entry for “determined acres” on the claim form for the PP acres must reflect only the PP acres for which the insured is eligible. The acreage report does not need to be revised during loss adjustment except as stated in paragraph 56.

#### 75. PP Payment Calculation

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- (1) The PP guarantee is separate from the timely and LP guarantees, and the guarantees are not added together to determine the PP payment. The PP payment is considered a separate payment from the indemnity payment. The following step (or steps) are used to determine the PP payment for any eligible acreage within a unit:
  - (a) **STEP 1 - For 100 Percent of PP Payment** - When PP acres that are the first insured crop and that will not or does not have a second crop planted on the same acreage (or NO actions have been taken on the same acreage that would require reduction of the PP payment as stated in Part 4 AND STEP (2) does not apply).
    - (i) Multiply the insured’s PP coverage level percentage by:
      - (A) The insured’s per-acre amount of insurance; OR
      - (B) The amount determined by multiplying the insured’s per-acre production guarantee for timely planted acreage of the insured crop (or type, if applicable) by the insured’s price election or projected price, whichever is applicable. For Revenue Protection, Revenue Protection with the Harvest Price Exclusion, and Yield Protection plans of insurance; use the projected price.
    - (ii) Multiply the result of (a)(i) above by the number of eligible PP acres in the unit, and
    - (iii) Multiply the result of (a)(ii) by the insured’s share.
  - (b) **STEP 2 - REDUCE PP PAYMENT TO 35 Percent of STEP 1**

The ending results of Step (1) above multiplied by 35 percent.

This step is only performed when all or some of PP acres in the unit are the first insured crop and will or has a second crop planted on the same acreage or other actions have been taken on the same acreage that would require reduction of the PP payment as stated in Part 4.

## **75. PP Payment Calculation (Continued)**

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- (2) The PP Payment is:
  - (a) The results of Step (1) above; or
  - (b) The SUM of steps (1) and (2) when both apply within the same unit ( i.e., part of the PP acres (first insured crop) in the unit are eligible for 100% PP payment, and part of the PP acres in the unit are limited to 35 percent of the PP payment). Refer to examples in Exhibit 4(2).

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## **76. Unit Guarantee for the Claim**

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- (1) For planted acreage, the claim will reflect the total of the guarantees, by line, of the timely planted and LP acreage, and
- (2) For PP acres, the claim will reflect the PP guarantee (refer to paragraph 25).

## **77. Multiple PP Payments**

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Only ONE PP payment can be received by the insured or any other person (excluding share arrangement) for each acre for the CY, unless the insured meets the requirement for double cropping as stated in Part 4 above.

## **78. Finalizing Claims**

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- (1) PP payment claims are not to be finalized UNTIL the adjuster and AIP are satisfied with all verifications/determinations, including, but not limited to:
  - (a) All acres claimed as PP for the insured crop met all eligibility requirements for PP payments, including that the acres were available for planting; refer to paragraph 26A(2)-(3) for more information. If the adjuster questions the eligibility of any of the reported PP acreage, the adjuster is to contact the next level of supervision;
  - (b) The crop claimed as a cover crop met the criteria for a cover crop and whether the cover crop was hayed or grazed and if it was, the exact date it was hayed or grazed to determine whether the PP acreage is ineligible for a PP payment or whether the PP payment is reduced by 65 percent or not reduced due to double crop history. Refer to Part 4 for this information;

## **78. Finalizing Claims (Continued)**

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- (c) Whether a volunteer or cover crop on the first insured crop (PP) acreage was harvested for other than haying or grazing and if so, the exact date the cover crop was planted and the exact date the volunteer or cover crop was harvested to determine whether the PP acreage is ineligible for a PP payment or whether the PP payment is reduced by 65 percent or not reduced due to double crop history. Refer to Part 4 for more detailed information. If the cover crop was planted **PRIOR** to the end of the LPP (or on or prior to the FPD if no LPP is applicable) and subsequently harvested at any time for other than haying or grazing (i.e., harvested grain, seed, etc.), no PP payment can be made as stated in Part 4 of this handbook;
  - (d) There was an insured peril that prevented the insured from planting the insured crop;  
and
  - (e) Any other facts that would affect eligibility for a PP payment.
- (2) Refer to Part 4 for information about reduction of PP payment or 100 percent PP payment.

**79-80 (Reserved)**

## PART 8 VERIFYING ELIGIBLE PP ACREAGE

### 81. Cause of Loss Timing and Carry-Over Insured Examples

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#### A. First Year Crop Coverage (New Insureds) vs. Carry-Over Insureds

(1) **First Year Crop Coverage Example:** The corn SCD is March 15, 2015, for the 2015 CY. The insured takes out a corn application for the 2015 CY on March 1, 2015. The PP insurance period for the 2015 CY for new insureds began on the corn SCD for the 2015 CY. An insured cause of loss (excess precipitation) occurs on or after March 15, 2015, and prevents the insured from planting corn by the FPD. The insured could be eligible for a PP indemnity for the 2015 CY since an insurable cause of loss occurred during the PP insurance period. An insurable cause of loss occurring prior to March 15, 2015, would be outside the PP insurance period.

(2) **Carry-Over Insured Examples:**

(a) The corn SCD is March 15, 2015, for the 2015 CY. The PP insurance period for the 2015 CY for carryover insureds began on the corn SCD for the 2014 CY. An insured cause of loss (failure of the insured's irrigation water supply) occurs on or after March 15, 2014, and prevents the insured from planting part of his/her 2015 corn crop. The insured could be eligible for a PP indemnity for the 2015 CY.

(b) A hurricane occurred in October of 2014. As a result of this hurricane, producers were unable to plant their insured crops for the 2015 CY due to residual salt left on the land or in the irrigation water supply. The PP insurance period for the 2015 CY for carryover insureds began on the SCD for the 2014 CY. The PP insurance period for the 2015 CY for new insureds began on the SCD for the 2015 CY.

Carryover insureds would have PP coverage for the 2015 CY because the event (hurricane) occurred within the carryover insured's PP insurance period. However, new insureds would not have PP coverage for the 2015 CY because the event (hurricane) happened prior to when their PP insurance period began for the 2015 CY (i.e., prior to the SCD for the 2015 CY.)

For the 2016 CY and subsequent CYs, neither new or carryover insureds would be covered for PP due to residual salt on the land or in the irrigation water supply resulting from the October 2014 hurricane because the cause of loss (2014 hurricane) is outside of the 2016 and subsequent CYs PP insurance period.

(3) **Carry-Over Insured Example with cause of loss occurring in the previous CY:**

Flooding occurred in February of 2015 leaving anywhere from 6-24 inches of sand, silt, and other debris on the acreage. The acreage could not be reclaimed to the extent needed to plant the insured crop by the FPD for the 2015 CY.

## 81. Cause of Loss Timing and Carry-Over Insured Examples (Continued)

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### A. First Year Crop Coverage (New Insureds) vs. Carry-Over Insureds (continued)

The PP insurance period for the 2015 CY for carryover insureds began on the SCD for the 2014 CY. The PP insurance period for the 2015 CY for new insureds began on the SCD for the 2015 CY.

Carryover insureds would have PP coverage for the 2015 CY because the event (flooding) occurred within the carryover insured's PP insurance period. However, new insureds would not have PP coverage for the 2015 CY because the event (flooding) happened prior to their PP insurance period (i.e., prior to the SCD for the 2015 CY).

If the sand, silt, and debris still had not been cleaned up to the extent the acreage could be planted for the 2016 and subsequent CYs, this would not be a covered cause of loss for new or carryover insureds.

### B. Carry-Over Insureds and Drought Reduces Irrigation Water

The following is applicable when an insured peril occurs in the prior CY and continues to occur within the insurance period for the current CY.

(1) **Drought reduces irrigation water supply and normal weather conditions will recharge some or all of the irrigation water supply**

PP coverage will be provided as indicated in (2) and (3) below when it is verified from one or more of the following sources what the expected water allocations will be if average snow-pack/precipitation occurs during the PP insurance period:

- (a) local irrigation authorities responsible for water allocations,
- (b) State Departments of Water Resources,
- (c) U.S. Bureau of Reclamation,
- (d) U.S. Army Corp of Engineers,
- (e) CES,
- (f) NRCS, or
- (g) other sources responsible for collection of water data or regulation of water resources (water allocations)

(2) When available information from one or more of the sources in subparagraph (1) above indicates that average snow-pack/precipitation occurring within the PP insurance period for the current year would provide sufficient water to produce an irrigated crop on all insurable acreage:

- (a) PP coverage will be provided for all acreage that is prevented from planting;

## 81. Cause of Loss Timing and Carry-Over Insured Examples (Continued)

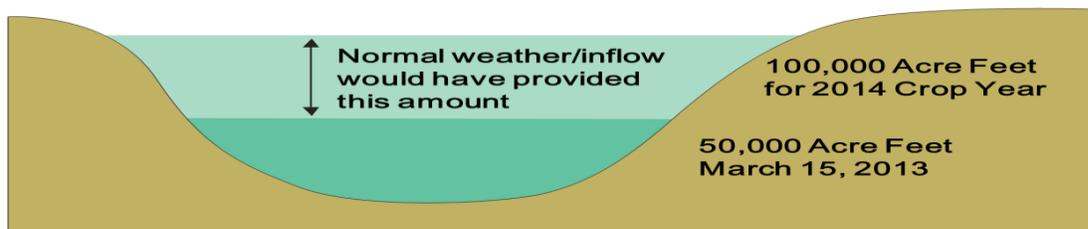
### B. Carry-Over Insureds and Drought Reduces Irrigation Water (continued)

**Example:** A producer normally irrigates 100 acres in his/her farming operation in the county. All acreage that the insured irrigates is insured acreage. In 2014, the insured is prevented from planting 60 acres due to drought. As determined by the irrigation authorities, average snow-pack/precipitation expected during the insurance period for the 2015 CY (begins March 15, 2014) should result in sufficient water allocation to allow production on 100 acres in 2015. However, a drought continues into the 2015 CY (average precipitation is not received during the insurance period), and the actual water allocation is sufficient for only 40 acres. In this case, since drought occurring during the insurance period caused failure of the irrigation water supply for 60 acres, those acres would again be eligible for a PP payment;

- (b) But due to an insured cause that occurred during the PP insurance period, the irrigation water supply is not fully recharged, the insured has the right to apply the irrigation water received to uninsured crops and still claim PP on the portion of insured acreage for which the insured did not have enough irrigation water to irrigate, provided all other PP requirements are met for such acreage.

**Illustration:** The following is an illustration of drought occurring in the current PP insurance period. Since drought occurred in the current PP insurance period, the insured would be eligible for the full amount of acreage the insured historically irrigates (eligible irrigated PP acres of the insured crop), provided normal weather/inflow during the insurance period would have provided 100 percent of needed water and all other PP requirements were met.

### Irrigated Prevented Planting Coverage



If a reservoir level of 100,000 acre feet would supply 100 percent of needed water for a producer who normally plants 100 irrigated acres, the producer would have full PP coverage for the 100 acres.

## 81. Cause of Loss Timing and Carry-Over Insured Examples (Continued)

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### B. Carry-Over Insureds and Drought Reduces Irrigation Water (continued)

- (3) When available information from one or more of the sources in subparagraph (1) above indicates that average snow-pack/precipitation within the PP insurance period for the current year would result in a water allocation allowing production on only a portion of the acreage previously planted:
- (a) only the portion of the decrease in available irrigation water attributable to insured perils occurring within the insurance period will be covered; and
  - (b) lack of irrigation water, in and of itself, is not an insurable cause of loss. There must be an underlying insurable cause that causes the lack of irrigation water.

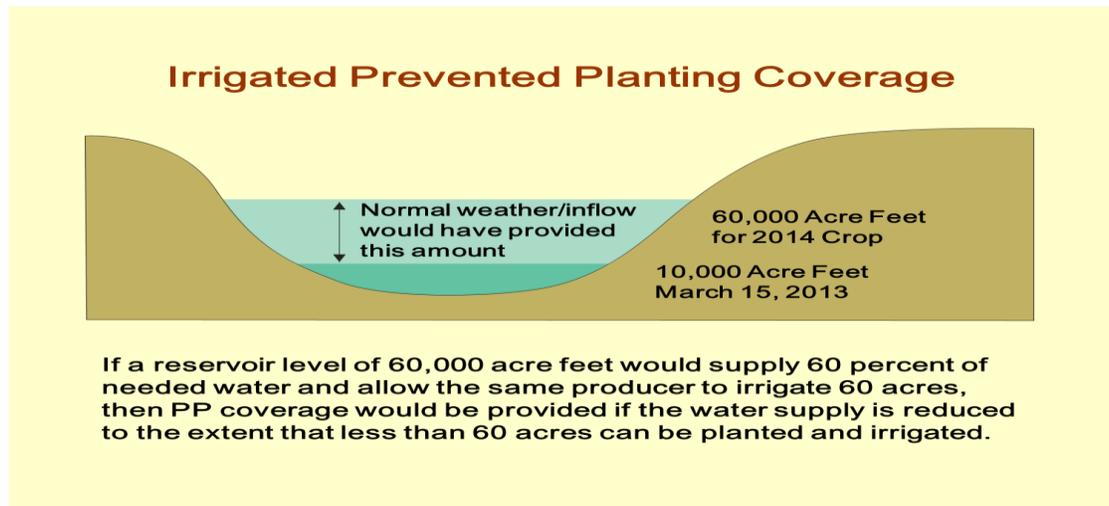
**Example 1:** A producer normally irrigates 100 acres of insured crops and no uninsured crops. In 2014 the insured is prevented from planting 100 acres. As verified with one of the irrigation sources listed in subparagraph (1) above, average snow-pack/precipitation expected during the insurance period for the 2015 CY would only provide enough water to produce a crop on 60 acres. Since average snow pack/precipitation is expected, but would still result in reduced available irrigation water, there is no insurable cause of loss for the reduced irrigation water supply. As such, a PP payment for 2015 can be made only if the irrigation water supply is reduced to the extent that a crop can be produced on less than 60 acres. If the water supply is reduced so that only 35 acres can be irrigated, then 25 acres would be eligible for a PP payment.

**Example 2:** Same scenario, except 25 acres of the 100 acres the insured historically irrigates, is for crops uninsured or uninsurable; i.e., the insured normally irrigates only 75 acres of the insured crop. The insured has the right to put the irrigation water on the 25 acres of the uninsured or uninsurable crop acreage. If the water supply is reduced so that only 35 acres can be irrigated, then 25 acres would be eligible for a PP payment (60 acres minus 35 acres = 25), even if the water was applied to 25 acres of uninsured or uninsurable acres.

**Illustration:** The following illustrates Examples 1 and 2 above. Since normal weather/inflow during the PP insurance period would only provide a portion of needed water, a PP payment can be made only on a portion of the historic irrigated acres.

## 81. Cause of Loss Timing and Carry-Over Insured Examples (Continued)

### B. Carry-Over Insureds and Drought Reduces Irrigation Water (continued)



- (4) A producer's decision to change cropping patterns and using the same amount of water available as in previous years or to plant crops with greater water use requirements does not constitute an insurable cause of loss. If the amount of available water is reduced due to insured causes, a PP payment can be paid only on the amount of acreage associated with the amount of water lost due to insured causes.
- (5) The burden is on the producer to prove that average snow-pack/precipitation would allow production on all the intended acreage for the current CY. When information indicating how much acreage could be planted if average snow-pack/precipitation would have occurred within the insurance period is not available, PP payments will be limited based on the number of acres prevented from being planted due to causes occurring prior to the current year's PP insurance period.

**Example:** A producer normally produces a crop on 100 acres and irrigates from a well. In 2014, the irrigation water supply is reduced and the producer is prevented from planting 60 acres (failure occurs prior to the beginning of the insurance period for 2015). Information indicating the number of acres that could be irrigated if average weather conditions occurred after the beginning of the insurance period for the 2015 CY is not available. A drought continues from the prior insurance period into the insurance period for the current CY, and the producer is prevented from planting 75 acres. In this case, a PP payment can be made only for the number of PP acres in excess of 60, which is 15 acres.

## 81. Cause of Loss Timing and Carry-Over Insured Examples (Continued)

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### B. Carry-Over Insureds and Drought Reduces Irrigation Water (continued)

- (6) **How to handle when the same cause of loss from previous PP insurance period, even with normal weather within current PP insurance period, continues to prevent planting.** When available information indicates that the effects of drought, excess moisture, or flooding occurring prior to the insurance period for the current CY are such that normal weather conditions within the insurance period would still not allow crop production (e.g., the land became part of a marsh or lake, or irrigation water allocations remain below what is needed to irrigate 100 percent of historical acreage, even with normal weather), the loss would be attributable to events occurring outside the insurance period for the current year and no PP payment could be made on such acreage.

## 82. General Verification Instructions and Examples

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### A. Documentation

All documentation, receipts, weather reports, etc., in the determination of eligible acreage and/or eligibility for a PP payment must be maintained in the insured's file for review.

### B. Determining Maximum Eligible PP Acres

Determine the maximum number of eligible PP acres by totaling the number of eligible PP acres for ALL crops in the county in which the insured has a share. Refer to paragraph 26.

### C. Examples of Maximum Acres for the Policy (County/Crop)

#### Example 1:

<b>No Added Land (leased, purchased, or transferred out of CRP)</b>	
<u>TOTALS:</u>	<u>Maximum PP Acres by Crop and for ALL CROPS</u>
Cropland <sup>1/</sup> = 900 acres	Corn = 400 acres
Corn History = 400 acres	Soybeans = 400 acres
Soybean History = 400 acres	<u>Wheat = 100 acres</u>
Wheat History = 100 acres	TOTAL = 900 acres eligible
<sup>1/</sup> CRP acres enrolled = 200 acres	for all crops.

<sup>1/</sup> The term “cropland” as used in this example (and for crop insurance purposes) includes ONLY cropland that is available for planting. (Including the CRP acres in the example, there are 1100 total acres. Although FSA or others might consider this farmland/cropland, it would not be considered cropland for insurance purposes since it is not available for planting.) Refer to paragraph 26A(2)-(3) for more information regarding cropland acreage that is available for planting. In the example above, the 200 acres still enrolled in the CRP program are not considered part of the cropland acres eligible for insurance purposes and therefore, are not included in the cropland total in the example above.

## 82. General Verification Instructions and Examples (Continued)

### C. Examples of Maximum Acres for the Policy (County/Crop) (continued)

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#### Example 2:

##### Added Land - (leased, purchased, or transferred out of CRP)

Previous CY:

900 acres of cropland acres available for planting the previous year  
400 acres corn history  
300 acres wheat history  
300 acres soybean history

Added 300 acres of cropland available for planting for the current CY.

The added land:

- (1) was purchased, leased, or released from CRP in time to plant;
- (2) was available for planting;
- (3) meets the policy provisions for allowing it for eligible PP acres; and
- (4) no cause of loss that could prevent planting had occurred at the time the land was purchased, leased, or released from CRP.

Total cropland available for planting in current CY = 1200 acres

Calculate the maximum eligible PP acres by crop, as follows:

- (1) 1200 cropland acres (available for planting the current CY)  
900 cropland acres (available for planting the previous CY)  
= 1.333 factor
- (2) 400 acres corn history X 1.333 = 533.2 acres  
300 acres soybean history X 1.333 = 399.9 acres  
300 acres wheat history X 1.333 = 399.9 acres

##### Totals, including new land

1200 cropland acres  
available for planting

##### Maximum PP Acres by Crop and for All Crops

Corn = 533.2 acres

Soybeans = 399.9 acres

Wheat = 399.9 acres

<sup>1</sup>TOTAL = 1,333.0 acres eligible for ALL crops

<sup>1</sup>The total exceeds the cropland acres available for planting, so the maximum eligible acres for corn, soybeans, and wheat for this CY will have to be based on the insured's intent, limited by the policy limitations and cropland acres available for planting. For example, the insured intends to plant 525.0 acres of corn, 375.0 acres of soybeans, and 300.0 acres of wheat, which would be within the maximum eligible PP acres.

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**82. General Verification Instructions and Examples (Continued)**

**D. Examples of Remaining Eligible PP Acreage When There is Planted and PP Acreage<sup>4</sup>**

**Example 1:** Insured reports 600 insured acres, consisting of the following:

<b>FSN # 1 (Unit 0001-0001OU)</b>	<b>FSN # 2 (Unit 0001-0002OU)</b>
100 corn acres planted timely	100 corn acres planted timely
50 soybean acres planted timely	50 soybeans acres PP
<b>FSN # 3 (Unit 0001-0003OU)</b>	<b>FSN # 4 (Unit 0001-0004OU)</b>
50 soybean acres LP	50 soybean acres LP
100 corn acres planted timely	100 acres soybeans planted after LPP; due to insured cause

The insured has 600 total cropland acres available for planting and has 400 acres of corn history and 300 acres of soybean history.

Prior to planting anything, the maximum PP acres were 400 corn and 300 soybeans. However, whatever combination of the two crops claimed, the total PP acres cannot exceed the 600 total cropland acres available for planting. For example: 400 acres corn and 200 acres of soybeans could have been claimed, or some other combination of 600 acres or less.

600 Cropland acres available for planting  
 -550 Acres planted  
 50 Acres eligible for PP; thus, the 50 PP soybean acres are eligible for PP payment.

**Example 2:** Insured reports 700 insured acres, consisting of the following:

<b>FSN # 1 (Unit 0001-0001OU)</b>	<b>FSN # 2 (Unit 0001-0002OU)</b>
100 PP wheat acres	50 corn acres timely planted
100 PP soybeans (double crop)	50 corn LP
100 acres of corn LP	100 corn acres timely planted
100 corn timely planted	100 soybean acres timely planted

The insured has 600 total cropland acres available for planting and has 400 acres of corn history, 100 acres of wheat history, 100 acres of single crop soybean history, and 100 acres of double crop soybean history (following wheat). The 700 total acres reported exceeds the 600 total cropland acres. However, individual crop acres do not exceed maximum eligible PP acres by crop, and the 200 total PP acres do not exceed the remaining eligible acres for ALL crops. Additionally, all planted and PP acres do not exceed cropland when the eligible DC acreage is considered in determining the insured’s maximum eligible PP acreage. Thus, both the PP wheat and PP soybeans can be paid.

<sup>4</sup> Refer to Para. 26 for more information regarding cropland acreage that is available for planting.  
 August 2015

## 82. General Verification Instructions and Examples (Continued)

### D. Examples of Remaining Eligible PP Acreage When There is Planted and PP Acreage (continued)

**Example 3:** In this example the insured has double cropping history that also qualifies as an FAC practice. In 2014, the insured planted, reported, and harvested 399.9 acres of insured winter (fall-planted) wheat. The insured has 2,545.9 total cropland acres available for planting. For 2014, the insured also reported the following acres of spring crops:

Corn, planted	1,215.4 acres
NFAC soybeans, planted	813.4 acres
FAC soybeans (has double-cropped (DC) history), planted	74.0 acres
NFAC soybeans, PP	72.8 acres
FAC soybeans, PP	226.0 acres

**Question:** Based on the following history, are the 226.0 reported FAC PP soybean acres eligible for a PP soybean payment for the 2015 CY?

CROP HISTORY FROM INSURED'S RECORDS OR APH RECORDS						
Crop Year	Oats	Corn	Soybeans			Wheat
			NFAC	FAC	Total	
2009	0.0	0.0	885.7	191.6	1,077.3	268.7
2010	30.0	0.0	1,079.1	0.0	1,079.1	0
2011	20.0	979.3	979.1	0.0	979.1	0
2012	0.0	909.4	950.9	50.9	1,001.8	200.8
2013	0.0	805.3	954.8	106.9	1,061.7	106.9
2014	0.0	793.4	816.7	341.3	1,158.0	349.6
<b>Max. Eligible Acres<sup>1</sup></b>	<b>20.0</b>	<b>979.3</b>			<b>1,158.0</b>	<b>349.6</b>

<sup>1</sup> Based on the greatest number of acres in one of the past four CYs.

**Answer:** No. There are double cropping records for soybeans after wheat for three of the past four CYs in which soybeans were grown. Per the double crop history above, 106.9 FAC acres is the maximum number of soybean acres that have been double cropped in at least two of the last four CYs in which the crop prevented from being planted (soybeans) was grown. The maximum double-crop acres is not 341.3 acres because 341.3 acres were double cropped only once in the last four CYs.

## 82. General Verification Instructions and Examples (Continued)

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### D. Examples of Remaining Eligible PP Acreage When There is Planted and PP Acreage (continued)

In addition to the FAC question, the following is applicable to this scenario: Since the insured planted 74.0 acres of (FAC) soybeans in 2014, the 74.0 acres would have to be subtracted from the 106.9 maximum soybean DC acres leaving 32.9 soybean DC acres eligible for PP. All planted and PP acres do not exceed cropland when the eligible DC acreage is considered in determining the insured's maximum eligible PP acreage.

**Example 4:** In this example the insured has double cropping history that also qualifies as an NFAC practice. In 2014, the insured had 40 total acres of which 25 were planted and insured winter (fall-planted) wheat for harvest during the 2015 CY. The 15 remaining acres were claimed as PP acres. In the spring, soybeans were planted as the second insured crop on the 15 remaining PP acres and reported as NFAC soybeans on the acreage report.

The 25 acres of wheat failed to make the guarantee at harvest time and the acres were appraised and released to soybeans. Therefore, an indemnity for the wheat was due. The AIP paid 100 percent of the PP wheat on the original 15 acres, which were planted to soybeans in the spring. Additionally, the original 15 PP acres **cannot** be used as acceptable double cropping records.

### E. Determining Double Cropping Eligibility

**Example 1:** A producer double cropped 300 acres of wheat and soybeans three years ago on Farm A. This same producer on Farm B (same county) had double cropped 300 acres of wheat and soybeans the previous year. These are the only double cropping records this producer has for the last four CYs in which wheat was planted. This insured would be eligible for 300 acres of double cropping PP wheat and PP soybeans for the current CY in this county.

**Example 2:** For the 2014 CY, the producer planted and insured 200 acres of wheat and on the same acreage claimed 200 acres of PP soybeans. This producer had double cropped 200 acres of wheat and soybeans for one of the last 4 years in which soybeans were planted on Farm A. The insured has 200 acres of wheat and sunflower double-cropping history on Farm B (same county). These are the only double cropping records this producer has. The insured would not be eligible for 200 acres of double cropping PP soybeans.

## 82. General Verification Instructions and Examples (Continued)

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### E. Determining Double Cropping Eligibility (continued)

**Example 3:** The insured has history of 200 acres of double-crop wheat/soybeans. The insured claimed 150 acres of PP winter wheat on field A for the 2014 CY and plants and harvests 150 acres of 2014 winter wheat on field B. Subsequently, in the spring the insured is prevented from planting any double-crop soybeans. If the insured is paid at 100 percent on the 150 acres of PP wheat on field A, the insured would still have 200 acres of double-cropping eligibility that could be used. In this case, the insured could claim and receive 100 percent PP on soybeans on fields A or B, up to 200 acres, provided all other policy conditions are met.

**Example 4:** The insured, farmer Brown, has no double-cropping history of his own in the county in which the PP soybean claim is being made. However, part of the land the insured, farmer Brown, is farming this CY is land farmer Brown acquired from another person (John Doe).

Out of 10 fields in the county the insured farms, 7 fields are 1<sup>st</sup> crop soybeans and 3 fields (fields A, B, C in tract 1044 of section 20) are PP soybeans (following a 1<sup>st</sup> insured wheat crop). Of those 10 fields, two of those fields (fields A and C) were purchased from John Doe and farmed by John Doe in previous CYs. John Doe has double-cropping records for 5 fields of wheat followed by soybeans in the county for two of the last four CYs in which soybeans were planted. John Doe's records show that two of these fields are fields A and C, the exact same acreage on which the insured, farmer Brown, planted the wheat followed by PP soybeans. Field B is not the same exact acreage. Farmer Brown will receive a 100 percent Wheat indemnity and 100 percent PP soybean payment on field A and C. However, farmer Brown is not eligible to receive a soybean PP payment on field B since the 1<sup>st</sup> insured crop, wheat was planted prior to the FPD for soybeans and field B was not one of the fields for which John Doe had double-cropping history.

**82. General Verification Instructions and Examples (Continued)**

**E. Determining Double Cropping Eligibility (continued)**

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**Example 5:**

<b>1st insured crop wheat planted in 2015 CY</b>	<b>2<sup>nd</sup> Crop Soybeans Insured Crop in 2015</b>
<b>Wheat History:</b>	<b>Soybean History:</b> <b>(all planted soybean acreage below was harvested)</b>
2011 CY -NA-	2011 CY 300 acres of soybeans planted
2012 CY 250 acres planted & destroyed but never harvested or appraised	2012 CY 250 acres of soybeans planted on wheat acreage
2013 CY 300 acres planted & destroyed but never harvested or appraised	2013 CY 300 acres of soybeans planted on wheat acreage
2014 CY -NA-	2014 CY 200 acres of soybeans planted
For 2015, the insured does not have double cropping records for two of the last four CYs in which soybeans were planted, therefore the insured is not eligible for a PP payment for double crop soybeans. CYs 2012 and 2013 do not count as double cropping years because the unharvested wheat acreage was not appraised and no records of production exist.	

**Example 6:**

<b>Wheat first planted in 2015 but not insured</b>	<b>First insured crop soybeans for 2015 CY</b>
<b>Wheat History:</b> <b>(wheat was never insured)</b>	<b>Soybean History:</b> <b>(all planted soybean acreage was harvested)</b>
2009 CY 100 acres of wheat harvested	2009 CY 100 acres of soybeans planted on wheat acreage
2010 CY 200 acres of wheat harvested	2010 CY 200 acres of soybeans planted on wheat acreage
2011 CY 100 acres of wheat planted; not harvested or appraised	2011 CY 300 acres of soybeans planted
2012 CY 200 acres of wheat planted; not harvested or appraised	2012 CY 0 acres planted
2013 CY 300 acres of wheat; not harvested or appraised	2013 CY 250 acres of soybeans planted on wheat acreage
2014 CY 0 acres planted	2014 CY 0 acres planted
In the last four CYs soybeans were planted, there were two years that soybeans were planted and harvested in the same CY that wheat was planted and harvested – 2009 and 2010, and only 100 acres of wheat were planted in both years. The 300 acres of wheat planted in 2013 can't be used because there are no records of production since it was not harvested or appraised (the wheat was never insured).	

## 83. Determining When Planted Acres of a Crop Will Reduce Eligible PP Acres

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### A. Making the Determination

In order for planted acres to reduce eligible PP acres of a crop, the planted acres must be of the same crop for which the eligible PP acres exist.

- (1) A planted crop will be the same crop for which eligible PP acres exist when both crops are the same crop for which a premium rate is provided in the actuarial documents.
  - (a) The planted crop must meet all definitions and descriptions of the crop found in the policy and SP, as well as the requirements of the Insured Crop section of the policy and any applicable portions of the SP.
  - (b) If the crop is uninsurable, no premium rate is provided.
- (2) A planted crop, crop type, or crop practice may have a premium rate provided in the actuarial documents but the acreage it is planted on may be uninsurable under the terms and conditions necessary for the premium rate to apply. In such cases, the uninsurable planted acres are still considered to be of the same crop for which the premium rate is provided, and will reduce eligible PP acreage of that crop.

Section 17(e)(2) of the BP does not distinguish why the acreage may be uninsured. It may be uninsured because the policyholder chose not to insure an insurable crop, or the acreage may be uninsurable due to not meeting one of the policy requirements required for it to be insurable.

**Example:** Acreage of corn planted after the late planting period is normally uninsurable (unless the reason the corn was planted after the late planting period was due to an insured cause that prevented the corn from being planted during the late planting period). Even though the planted corn acres do not meet all insurability requirements, eligible PP corn acres will still be reduced by the number of corn acres planted.

- (3) When a crop is planted as a cover crop (at the appropriate seeding and fertilizing rate, etc.), those acres will not reduce the crop's eligible prevented planting acres, unless it is harvested for grain, or as otherwise allowed in the SP.
- (4) If planted acres of a crop that are normally uninsurable under any CP or SP are insured via written agreement, or have contributed to a crop's eligible PP acres, the normally uninsurable acres will be considered to be of the same crop as that for which the eligible PP acres exist.

## **83. Determining When Planted Acres of a Crop Will Reduce Eligible PP Acres (Continued)**

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### **B. Determination Examples**

- Example 1:** Edamame soybeans will not be considered the same crop as soybeans since Edamame soybeans are not insured as soybeans and no premium rate is provided in the actuarial documents to insure Edamame soybeans. Therefore, planted Edamame soybean acres will not reduce eligible PP soybean acres.
- Example 2:** A silage variety of corn planted for silage in a corn-for-grain only county is uninsurable without a written agreement, and no premium rate is provided for the crop. It is not considered the same crop as corn for grain, for which a premium rate is provided, and will not reduce any eligible PP corn-for-grain acres that may exist.
- Example 3:** A non-irrigated crop, planted in a county in which the only practice insurable is irrigated, will not reduce eligible PP acres of the irrigated crop. Because no premium rate is provided for a non-irrigated practice, the planted non-irrigated crop will not be considered the same as the irrigated crop for PP purposes.
- Example 4:** A non-irrigated crop, planted in a county where premium rates are provided for irrigated and non-irrigated practices will reduce both the non-irrigated crop's individual eligible PP acres, as well as the total eligible acres for the crop when the policy requires that all acreage of the crop be insured. For example, a producer has a history of planting 200 acres of non-irrigated corn and 200 acres of irrigated corn, but has only planted 300 total acres of corn in any given year. If 100 acres of non-irrigated corn are planted this year, then 100 acres of non-irrigated PP corn eligibility and 200 total acres of corn PP eligibility will remain since the producer has never planted more than 300 total acres of corn in any given year.
- Example 5:** Each dry bean type has its own premium rate, but under the Dry Bean CP all dry bean types able to be insured must be insured, and are thus subject to the overall eligible PP acreage limitation for that crop. For example, a producer has a PP history for 200 acres of pinto beans, and 200 acres of navy beans, but has only planted 300 total acres of dry beans in any given year. This year 100 acres of navy beans are planted, leaving the insured with 100 acres of navy bean PP eligibility, and 200 total acres of dry bean PP eligibility.
- Example 6:** When the applicable CP allow the option to separately insure individual crop types or varieties, the individual crop types or varieties will not be considered to be the same crop for PP purposes. For example, planted flue cured tobacco will not reduce eligible PP acres of burley tobacco.

## 84. Prevented from Planting – Not Enough Eligible Acreage for the Crop

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For crops prevented from planting for which the insured does not have an adequate base of eligible PP acreage, the AIP will use acreage from another crop insured for the current CY for which the insured has remaining eligible PP acreage. Refer to paragraph 26C(8) for details.

### A. Specialty type Barley and Specialty type Soybean Examples

- Example 1:** A policyholder with no previous history of growing specialty type soybeans intends to plant and insure Large Seed Food Grade type soybeans using a contract price, but is prevented from planting this type. The policyholder has a history of growing commodity type soybeans. Since the insured has not produced Large Seed Food Grade type soybeans in the past, the insured will not have any eligible PP acres for that type. The PP acres may be paid based on the commodity type if there are any remaining eligible PP acres. If there are no remaining eligible PP acres of specialty type, PP acres may be paid based on another crop with remaining eligible PP acres in accordance with section 17(h) of the BP. Refer to subparagraph B below.
- Example 2:** A policyholder has a contract for 1,000 acres of specialty type soybeans. There are a total of 300 eligible acres of commodity type soybeans as determined in accordance with section 17(e)(1)(i)A of the BP. There are no eligible PP acres for the specialty type; therefore, any PP eligibility for soybeans can only be based on the commodity type.
- Example 3:** In 2014, the policyholder planted 900 acres of a specialty type soybean and was paid PP on 200 acres. The acreage report for 2014 shows PP acres for commodity type (091) and the APH database shows 900 acres of the specialty type. Eligibility by type is determined as provided in sections 17(f)(11) and 17(e)(1)(i)(A) of the BP (refer to paragraph's 26C and 27(11) of this handbook). In this case, the policyholder planted 900 specialty type soybean acres in the previous year and is therefore eligible for 900 PP acres of the specialty type for the 2015 CY. If the policyholder can prove the 200 PP acres were intended to be specialty type soybeans (e.g., can provide a contract, seed records, etc.), they can be added to the 900 eligible acres for the specialty type for a total of 1,100 eligible acres. If the policyholder cannot provide evidence the type prevented from being planted was a specialty type, those acres will be the commodity type (900 eligible acres of the specialty type and 200 eligible acres of the commodity type).
- Example 4:** **Applicable only to specialty barley types.** A policyholder has revenue protection for the All Other type barley and yield protection for a specialty type barley in 2015. The revenue protection has a unit with 100 acres planted to All Other type. The yield protection has a unit with 50 acres planted to a specialty-type barley. Both types are planted in the same 165 acre field. There are 15 acres in the field that are prevented from being planted. To determine whether the PP acres meet the 20/20 rule, it must first be determined if the 15 acres that were prevented from being planted

## 84. Prevented from Planting – Not Enough Eligible Acreage for the Crop (Continued)

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### A. Specialty type Barley and Specialty type Soybean Examples (continued)

are the specialty type barley or the All Other type. If the 15 acres are prevented from being planted to the specialty type, the acreage may qualify for a PP payment because more than 13 acres were prevented from being planted (20 percent of the 65 acres in the unit = 13). If the 15 acres that are prevented from being planted are the All Other type, the acreage would not qualify for a PP payment because the 20/20 rule for the 115 acre unit of the All Other type requires at least 20 acres to be prevented from being planted (20 percent of the 115 acres in the unit = 23).

### B. Other Crops

- (1) If the PP payment will be made under another crop(s)/unit(s) rather than under the crop/unit that was prevented from planting:
  - (a) The number of acres payable under that unit is not limited to the number of physical acres in that unit.

**Example:** The insured claims 200 acres of PP corn but does not have any remaining eligible corn acres. The insured does have 200 acres of remaining eligible soybeans PP acres. Soybeans unit 0001-0001OU, composed of 100 acres, would result in the closest PP payment, which is less than the PP corn payment. The 200 acres of corn claimed as PP would be paid as PP soybeans, unit 0001-0001OU, even though there are only 100 cropland acres available for planting in soybeans, unit 0001-0001OU.
  - (b) The share used will be the share from the crop unit on which the acreage was prevented from planting (qualifying unit). Refer to example in subparagraph (10), Example 1 below.
  - (c) Acreage reports must show PP acreage that will be used to pay the PP acreage for the qualifying crop/unit (i.e., the crop/unit prevented from planting).
  - (d) Prepare the claim form for the PP payment for each crop unit that eligible PP acreage was used to pay the PP claim for the qualifying unit acreage. Document the crop, unit number, and legal description of the qualifying crop/unit (i.e., the crop/unit prevented from planting).
- (2) In counties having both fall and spring FPDs for barley, oats, and wheat, remaining eligible acres are based on the total of all barley, oats or wheat types; however, any PP payment is based on the spring type only. If the insured does not have an APH database for a spring type, then one must be created to make the PP payment.
- (3) When the insured has multiple types in his/her 4-year PP history, and the insured claims more acres for a type(s)/crop than the insured has remaining eligible acres for the types/crop claimed as PP, refer to Examples 2-4 in subparagraph (10) below.

## 84. Prevented from Planting – Not Enough Eligible Acreage for the Crop (Continued)

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### B. Other Crops (continued)

- (4) When the insured has irrigated and non-irrigated acreage (or only irrigated acres) in his/her APH databases and there are more irrigated acres claimed for the crop prevented from planting than the insured has history in his/her 4-year PP history for the crop, refer to Examples 8 and 9 in subparagraph (10) below. Also, if the insured exhausts all of eligible acres for the crop and uses another crop(s) remaining eligible irrigated acres to pay the irrigated practice for the crop claimed as PP, the insured must have a history of irrigating this amount of acreage in the same CY for the crops used to pay the PP claim.
- (5) PP payments cannot be made using remaining eligible acres of a practice for which the insured would not qualify. This is irrespective of whether the acreage claimed as PP (e.g. corn) is paid under the crop claimed as PP (e.g., corn) or whether another crop is used to pay part of the acreage claimed when the crop claimed as PP had no remaining eligible PP acres.

Additionally, an insured would not qualify for an irrigated practice and cannot be paid under an irrigated practice when the irrigated acres exceed the number of acres that in a single CY the insured's irrigation facilities can irrigate or the insured has historically irrigated (based on four most recent CYs). Refer to example 4 below and examples in subparagraph (10). However, provided the preceding conditions are met, it would not preclude the insured from being paid on an irrigated practice in the following situation: The insured claims 100 acres non-irrigated corn but has no remaining eligible acres for corn. The only crop with remaining eligible acres is soybeans with 110 irrigated acres remaining. The insured could be paid 100 acres PP irrigated soybeans, provided the PP payment for irrigated soybeans is lower than the non-irrigated corn.

Examples (but not limited to the practices, in the following examples) include:

**Example 1:** There is a total of 100 acres of wheat in unit 0001-0001OU. The insured claims all 100 acres as summerfallow, but only has a history of 50 acres summerfallow and 50 acres of continuous cropping on the unit. The insured cannot be paid PP on 100 acres of summerfallow because not all 100 acres claimed as PP qualify for a summerfallow practice. As the insured has history of 100 eligible wheat acres (50 summerfallow and 50 continuous cropping), PP payment could be made on 50 acres using the summerfallow practice and 50 acres using the continuous cropping practice.

**Example 2:** The insured claims PP for 200 acres of certified organic corn; however, the APH records show 100 acres of certified organic corn and 100 acres of transitional corn. Based on this information, the insured cannot be paid a PP claim based on an organic farming practice because not all 200 acres prevented from planting qualifies for the organic farming practice. As the insured has history of 200 eligible corn acres (100 certified organic and 100 transitional), PP payment could be made on 100

## 84. Prevented from Planting – Not Enough Eligible Acreage for the Crop (Continued)

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### B. Other Crops (continued)

acres using the organic farming practice and 100 acres using the transitional practice. For example, the insured provides an organic plan from a certifying agency that identifies the physically located 200 acres as certified organic acreage. If the insured is unable to plant any acreage that AIP determines that the insured has taken some type of action that would have disqualified the acreage as organic; i.e., applied a prohibited substance. Refer to paragraph 87D(6) for an organic farming practice in the LAM for additional information regarding acreage qualifying or not qualifying for an organic farming practice.

**Example 3:** The insured claims 200 PP acres of irrigated corn but has history of planting only 100 acres of irrigated corn. The insured cannot be paid for 200 acres based on an irrigated practice if 200 acres of the acreage does not actually qualify for an irrigated practice; e.g., there are irrigation facilities available for only 100 acres.

**Example 4:** The insured claims PP for 200 acres of irrigated soybeans and has planted 200 acres irrigated corn and has irrigation facilities available for 400 acres. However, the insured cannot be paid on more irrigated acres than the insured has a history of irrigating in a single CY, based on the insured's eligible PP crops. For example: In the four most recent CYs, the insured has irrigated a maximum of 200 irrigated corn acres and a maximum of 200 irrigated soybean acres and a maximum of 100 irrigated wheat acres. However, the insured only has a history of planting 300 irrigated acres in a single CY for all eligible PP crops in the most recent four CYs. Therefore, the maximum irrigated acres that the insured can be paid for PP is 300 irrigated acres, regardless of whether it is for one or multiple eligible PP crops. Refer to examples 8 and 9 in subparagraph (10) below.

- (6) When crops are insured with more than one AIP, and it is necessary for one AIP to use eligible acres from other crops they insure to pay a PP payment, the AIP should use remaining eligible acres from the crops they insure first. If all remaining eligible acres from other crops are exhausted, and the other AIP insures a crop(s) that has remaining eligible PP acres and the PP payment for this crop would be less than the PP payment the crop/unit prevented from planting, the other AIP may (but is not required to) process the PP claim using these remaining eligible acres, provided they agree with the determinations, causes of loss, etc., that the other AIP made.
- (7) A transferee of a Transfer of Right to an Indemnity (Transfer) cannot be paid a PP payment based on a payment from another crop having the most similar PP payment as the crop prevented from planting, unless the crop having the most similar PP payment also has a Transfer in effect as explained in paragraph 13 of this handbook.

**84. Prevented from Planting – Not Enough Eligible Acreage for the Crop (Continued)**

**B. Other Crops (continued)**

- (8) Additional administrative fees that result solely from basing a PP payment on another crop will not be charged to the policyholder. AIPs are to flag these crops in the type P14 record in accordance with Appendix III to ensure no administrative fee is charged when there are no planted acres for this crop and/or an actual PP payment has been paid or is due for this crop.
- (9) When the crop(s) for which there are remaining eligible acres has an Enterprise Unit (EU) structure, determine the crop/unit with the most similar payment from the basic or optional unit within the EU.
- (10) Examples of determining crop/unit having remaining acres with the closest PP payment and the crop/unit determined to pay the PP payment.

**Example 1:** An insured plants 75 acres to corn and is prevented from planting 25 acres in Unit 0001-0001OU. The insured has a 100 percent share on this unit. The adjuster determines that there are 75 maximum eligible acres for corn.

The adjuster must find the crop(s)/unit(s) having remaining eligible acres with the most similar (closest) PP payment as corn and whether the payments are less than what the PP payment for corn would be. The corn Unit 0001-0001 OU per acre PP dollar amount is \$146.25. The insured also has soybeans and grain sorghum on the policy and has another policy for winter wheat for the same CY. Using the following information, the crops used to make the PP payments are as follows:

Soybeans Units	Grain Sorghum Units	Winter Wheat Units
0001-0001OU - \$112.50	0002-0001OU - \$44.10	0001-0001OU - \$35.88
0001-0002OU - \$101.25	0002-0002OU - \$53.75	0001-0002OU - \$32.48
0001-0003OU - \$123.75	0002-0003OU - \$58.50	0001-0003OU - \$40.50

<b>Maximum Eligible Acres and Remaining Eligible Acres</b>				
<u>Max Eligible Acres</u>	<u>Share</u>	<u>Planted Acres</u>	<u>PP Acres</u>	<u>Remaining Eligible Acres</u>
Corn: 75.0	1.000	75.0	25.0	0.0 Acres
Soybeans: 47.0	1.000	32.0	0.0	15.0 Acres
Grain Sorghum: 42.0	0.750	30.0	7.0	5.0 Acres
Fall Wheat: 105.4	1.000	100.4	0.0	5.0 Acres

- (i) Unit 0001-0003OU soybeans per-acre PP payment of \$123.75 is the closest amount to the corn per-acre PP payment of \$146.25.

**84. Prevented from Planting – Not Enough Eligible Acreage for the Crop (Continued)**

**B. Other Crops (continued)**

- (ii) Since there are not enough eligible soybean acres, the next similar (closest) per-acre PP payment is Unit 0002-0003OU grain sorghum at \$58.50 per acre (share will be the same as corn).
- (iii) Since there are not enough eligible grain sorghum acres remaining, the next most similar (closest) per-acre PP payment is on unit 0001-0003OU wheat at \$40.50 per-acre. Since all of the crops with remaining eligible acres and closest per-acre PP payment would result in a lower PP payment than the corn, these crops will be used to make the PP payment, as follows:

PP Payment Calculation						
Crop/Unit	Acres	x	\$ PP Guarantee	x	Share*	= PP Payment
Soybean – 0001-0003OU	15.0	x	\$123.75	x	1.000	= \$1,856.25
Grain Sorghum - 0002-0003OU	5.0	x	\$58.50	x	1.000	= \$292.50
Wheat – 0001-0003OU	5.0	x	\$40.50	x	1.000	= \$202.50
Total	25.0					\$2,351.25

\* Share will be the same as unit 0001-0001OU corn.

The actual PP claim for grain sorghum for the 7 acres in this unit will be the share reported for this grain sorghum unit (i.e., .750). This would require two separate lines on the claim form and the revised acreage report to show the two separate shares; i.e., the .750 share for the 7.0 acres of PP grain sorghum, and the 5.0 acres of grain sorghum eligible acres used for the corn PP acres at 1.000 share.

**Example 2:** The insured reported 125.0 PP acres of dark red kidney beans (kidney beans) on his/her acreage report.

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

Crop	Drk. Red Kid. Beans	Navy Beans	Spring Wheat	Corn
Eligible PP Acres	25.0	25.0	50.0	50.0
PP Guar./Acre	\$399	\$336	\$326	\$638

The insured is eligible for 125.0 acres of PP since due to an insured cause, the insured was prevented from planting 125.0 acres of dry beans and there are 125.0 acres of eligible PP acres remaining. However, the PP payment would first be based on the remaining

**84. Prevented from Planting – Not Enough Eligible Acreage for the Crop (Continued)**

**B. Other Crops (continued)**

eligible bean type acres, followed by acres from the crop with a PP payment most similar to the dry bean crop claimed as PP, as follows:

- (i) In this case, the 25.0 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 (navy beans). Since the 25.0 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 results in a lower payment than the kidney beans).
- (ii) This is then followed by the crop with the most similar payment to kidney 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 kidney beans).
- (iii) The remaining 25.0 acres claimed as PP dark 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 kidney beans since it is lower than the corn PP payment.

**Example 3:** The insured is claiming 155.0 acres PP for pinto beans on unit 0001-0001OU.

The insured has 50.0 maximum eligible PP acres of history for pinto beans on all units of dry beans in the county. However, the insured has other insured dry bean types, as well as other crops, in the county that have remaining eligible acreage. Since the 155.0 acres claimed for PP exceed the 50 maximum eligible PP acres for pinto beans, the remaining 105.0 acres must be paid based on the remaining eligible acres from another dry bean type(s) and other crops, as follows:

<b>Eligible PP Acres and PP Dollar Guarantee</b>			
<b>Crop</b>	<b>Unit</b>	<b>Eligible PP Acres</b>	<b>\$ Per Acre PP Guarantee</b>
Pinto Beans	0001-0001OU	50 Acres	\$81.00
Cranberry Beans	0001-0003OU	30 Acres	\$85.00
Navy Beans	0001-0002OU	25 Acres	\$66.00
Wheat	0001-0001OU	25 Acres	\$40.00
Soybeans	0001-0002OU	25 Acres	\$124.00
<b>Total</b>		<b>155.0 Acres</b>	

- (i) Acres from the dry bean types must be used first. In this situation, the first crop used will be 50 acres of pinto beans.

## 84. Prevented from Planting – Not Enough Eligible Acreage for the Crop (Continued)

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### B. Other Crops (continued)

- (ii) Once the 50 acres of pinto bean history has been exhausted, you must next use the 30 acres of the cranberry bean history. The \$85.00 per-acre PP guarantee for cranberry beans is the closest to the \$81.00 per-acre PP guarantee for pinto beans, but would result in a higher PP payment than pinto beans. Therefore, the pinto beans will be used to make the PP payment, using the 30 acres of PP eligibility from cranberry beans.
- (iii) You must next use the 25 acres of the navy bean history to exhaust PP eligible acres for the dry bean crop since the \$66.00 per-acre PP guarantee for navy beans is the closest to the \$81.00 per-acre PP guarantee for pinto beans. The PP payment for the navy beans would result in a lower PP payment than pinto beans. Therefore, the navy beans will be used to make the PP payment, using the 25 acres of PP eligibility from the navy beans. Since pinto beans was the dry bean type claimed as PP, use pinto beans to compare to other crops used to determine which crop results in the most similar payment.
- (iv) The next most similar PP payment to the pinto bean PP payment is the 25 acres of eligibility for wheat. The \$40.00 per-acre PP guarantee for wheat is the closest to the \$81.00 per-acre PP guarantee for pinto beans. Since the wheat would result in the lowest PP payment, the wheat will be used to make the PP payment, using the 25 acres of PP eligibility from the wheat.
- (v) Soybeans is the only remaining crop with eligible acres. The \$81.00 per-acre PP guarantee for the pinto beans would result in a lower PP payment than the \$124.00 per-acre PP guarantee for soybeans. Therefore, the pinto beans will be used to make the PP payment, using the 25 acres of PP eligibility from the soybeans.

**Example 4:** Same situation as in (c) above except the insured has planted 25 acres of navy beans and 30 acres of cranberry beans. The insured is claiming 100.0 acres PP for pinto beans on unit 0001-0001OU. No types of dry beans have remaining eligible PP acres. However, the insured does have unit 0001-0001OU wheat and unit 0001-0002OU soybeans that each has 25.0 acres of remaining eligible acres. The crop/unit having the most similar payment to the pinto beans will be compared to what the pinto bean PP payment would be using the following information.

**84. Prevented from Planting – Not Enough Eligible Acreage for the Crop (Continued)**

**B. Other Crops (continued)**

<b>Eligible PP Acres and PP Dollar Guarantee</b>			
<b>Crop</b>	<b>Unit</b>	<b>Eligible PP Acres</b>	<b>\$ Per Acre PP Guarantee</b>
Pinto Beans	0001-0001OU	50 Acres	\$81.00
Cranberry Beans	0001-0003OU	0 Acres	\$85.00
Navy Beans	0001-0002OU	0 Acres	\$66.00
Wheat	0001-0001OU	25 Acres	\$40.00
Soybeans	0001-0002OU	25 Acres	\$124.00
<b>Total</b>		<b>100.0 Acres</b>	

The wheat would have a per-acre PP payment of \$40.00 and the soybeans would have a per-acre PP payment of \$124.00.

- (i) The \$40.00 per-acre guarantee for wheat is the closest to the \$81.00 per acre dollar guarantee for pinto beans, and results in a lower payment than pinto beans. Therefore, the PP payment and premium for the 25.0 PP acres of pinto beans prevented from planting will be paid as wheat.
- (ii) The PP payment and premium for the remaining 25.0 PP acres of pinto beans prevented from planting will be paid as Pinto beans at \$81.00 using 25 acres of soybean eligibility.

<b>PP Payment Calculation</b>							
<b>Crop/Unit</b>	<b>Acres</b>	<b>x</b>	<b>\$ PP Guarantee</b>	<b>x</b>	<b>Share*</b>	<b>=</b>	<b>PP Payment</b>
Pinto Beans – 0001-0001OU	50.0	x	\$81.00	x	1.000	=	\$4,050.00
Wheat – 0001-0001OU	25.0	x	\$40.00	x	1.000	=	\$1,000.00
Pinto Beans* (Soybeans 0001-0002OU eligible acres)	25.0	x	\$81.00*	x	1.000	=	\$2,025.00

\*Paid as pinto beans pinto bean PP payment less than the soybean PP payment.

**Example 5:** The insured is claiming 75.0 acres PP for soybeans on unit 0001-0001OU. The insured has 50.0 maximum eligible PP acres history for soybeans. Since the 75 acres claimed for PP exceed the 50 maximum eligible PP acres for soybeans, the remaining 25 acres must be paid based on the remaining eligible PP acres from another crop.

**84. Prevented from Planting – Not Enough Eligible Acreage for the Crop (Continued)**

**B. Other Crops (continued)**

<b>Eligible PP Acres by Crop and Per Acre Guarantee</b>			
<b>Crop</b>	<b>Unit</b>	<b>Eligible PP Acres</b>	<b>\$ Per Acre PP Guarantee</b>
Soybeans	0001-0001OU	50 Acres	\$60.00
Wheat	0001-0002OU	25 Acres	\$40.00
Corn	0001-0003OU	25 Acres	\$80.00

- (i) Determine which crop with remaining eligible PP acres would have a PP payment most similar to soybeans. The \$40.00 per-acre PP guarantee for wheat and the \$80.00 per-acre PP guarantee for corn are an equal amount above and below the \$60.00 per-acre PP guarantee for soybeans. In this situation, remaining eligible PP acres from the crop with the higher payment will be used first. In this case, corn will be used.
- (ii) Compare the PP payment for soybeans to the PP payment for corn. Since the \$60.00 per-acre PP guarantee for soybeans results in a lower payment than the \$80.00 per-acre PP guarantee for corn, the PP payment and premium for the 25.0 PP acres of soybeans prevented from planting will be paid as soybeans, using the 25 acres of PP eligibility from the corn.

**Example 6:** The insured turns in a Durum wheat PP claim. The insured has a total of 825 eligible PP acres for all crops. The insured has 710 eligible PP acres for Durum, and he plants all 710 acres to durum. He intended to plant all 825 acres to durum but was prevented from planting 115 acres.

<b>Eligible PP Acres by Crop and Per Acre Guarantee</b>			
<b>Crop</b>	<b>Unit</b>	<b>Eligible PP Acres</b>	<b>\$ Per Acre PP Guarantee</b>
Durum Wheat	0001-0001OU	710 Acres	\$244.00
Mustard	0001-0002OU	200 Acres	\$76.00
Lentils	0001-0003OU	200 Acres	\$137.00

The insured has history of planting mustard and lentils in the past four years. Durum was the only crop the insured planted in 2012. Since the insured has no remaining eligible PP acres for wheat, the eligible acres from lentils and mustard must be used. The insured does not have a mustard contract this year and must have one to be able to insure the mustard. This was the insured’s own choice because he was intending to plant all of his acreage to durum. The eligible acres for the mustard that is in the insured’s database can be used even though there was no contract in effect with a processor. The last processor mustard contract price per acre will be used to

**84. Prevented from Planting – Not Enough Eligible Acreage for the Crop (Continued)**

**B. Other Crops (continued)**

determine what the PP payment for mustard would have been. The projected price per acre for lentils will be used to determine what the PP payment for lentils would have been.

The crop/unit having the most similar payment to the Durum will be compared to what the Durum PP payment would be. Whichever crop’s PP payment is the closest to the Durum payment will be the crop/unit used to make the PP payment for Durum.

The lentils would have a per-acre PP payment of \$137.00 and the Mustard would have a per-acre PP payment of \$76.00. The \$137.00 per-acre guarantee for lentils is the closest to the \$244.00 per acre dollar guarantee for Durum.

The PP payment for each of these crops will be compared to what the PP payment for wheat would have been. The remaining acres from each of these crops will be used to make the PP payments.

If the PP wheat was lower than lentils or mustard, then the PP payment for wheat will be used to process the PP payment using the mustard and lentil acres. If either of these crops had a lower payment than the wheat, then the wheat PP payment will be processed under those crops

PP Payment Calculation							
Crop/Unit	Acres	x	\$ PP Guarantee	X	Share*	=	Indemnity
Lentils- 0001-0002OU	115.0	x	\$137.00	X	1.000	=	\$15,755.00

**Example 7:** Total Cropland acres = 168.5 acres. In 2014, the insured reports the following:

88.4	PP Wheat acres (field A)
88.4	acres planted to Grain Sorghum (on field A - 2 <sup>nd</sup> crop).
3.8	additional acres planted to Grain Sorghum (1 <sup>st</sup> crop).
76.3	acres of soybeans planted
168.5	total acres planted

**84. Prevented from Planting – Not Enough Eligible Acreage for the Crop (Continued)**

**B. Other Crops (continued)**

Maximum Eligible PP Acres and Remaining PP Acres					
Crop	Maximum Eligible PP Acres	Minus	Planted Acres	Equals	Remaining PP Acres
Corn	73.8	-	0.0	=	73.8
Soybeans	105.3	-	76.3	=	29.0
Grain Sorghum	0.0	-	0.0	=	0.0
Wheat	0.0	-	0.0	=	0.0
<sup>1</sup> Total for ALL Crops	179.1		76.3	=	102.8

<sup>1</sup> Zero history of DC grain sorghum or soybean.

**Question:** Can the 88.4 reported PP wheat acres be paid?

**Answer:** Yes, but not at 100 percent. The wheat PP payment will be reduced 65 percent since all of the PP wheat acres (88.4 acres in field A) were planted to grain sorghum (2<sup>nd</sup> crop). Since there were zero eligible PP wheat acres, the wheat must use the remaining eligible PP acres from a crop(s) that would have a PP payment closest to wheat PP payment.

Even without double-cropping history, because of the 1<sup>st</sup> crop/2<sup>nd</sup> crop policy provisions, it is possible to have more acreage on which payments can be made than there are actual cropland acres, as in this instance; i.e., 88.4 acres PP payment, + 168.5 acres of grain sorghum and soybeans planted subject to possible indemnity payments = 256.9 acres which exceeds the 168.5 acres of cropland.

**Example 8:** The insured turned in a PP claim for 225 acres of irrigated (IRR) corn. The insured had irrigation facilities in place to irrigate 100 acres. However, the insured only has history for 100 acres of corn, of which 50 are irrigated and 50 are non-irrigated (NI).

The insured has the following eligible PP acres remaining:

Crop	Unit	Eligible PP Acres Remaining	\$ Per Acre PP Guarantee
Corn - IRR	0001-0001OU	50 Acres	\$150.00
Corn - NI	0001-0002OU	50 Acres	\$80.00
Soybeans - IRR	0001-0003OU	50 Acres	\$100.00
Soybeans - NI	0001-0004OU	50 Acres	\$60.00
Spring Wheat – IRR	0001-0002OU	25 Acres	\$70.00
Total		225 acres	

## 84. Prevented from Planting – Not Enough Eligible Acreage for the Crop (Continued)

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### B. Other Crops (continued)

The insured has a history of planting both the 50 acres of irrigated corn and 50 acres of irrigated soybeans within the same CY, but does not have a history of planting 25 acres of irrigated wheat within the same CY that the irrigated corn and irrigated soybeans are planted. As such, the insured has only 100 acres which can be paid PP on an IRR basis due to both their planting history and irrigation facilities in place.

The PP payment will be made as follows:

IRR corn acres would be used first (paid as IRR corn), followed by NI corn acres (paid as NI corn) to exhaust all eligible corn acres. Since there are still 50 eligible IRR PP acres available, the payment of the next crop to be rolled to is compared to the IRR corn payment. IRR soybeans has the closest payment to IRR corn, so the 50 remaining eligible IRR soybean acres are used next (paid as IRR soybeans), which exhausts all remaining IRR eligibility. The crops to be rolled to for the remaining 75 acres will be compared to NI corn.

The irrigated practice is limited to 100 acres since this is the maximum amount of acreage that has historically been irrigated in the same CY and because there are only facilities in place to irrigate 100 acres. Of the remaining crops with eligible acres, IRR wheat is the crop with the closest payment to NI corn. However, because PP cannot be paid on any additional IRR acres, a NI PP database would have to be set up for wheat. The PP guarantee for the NI wheat is \$40 per acre.

Since the NI wheat payment is less than the NI soybean payment, the next most similar PP payment to the NI corn PP payment is the 50 acres of NI soybeans.

The PP payment will be paid as NI soybeans since it results in a lower payment than NI corn. The only remaining 25 acres is NI wheat. Since the PP payment for NI wheat is lower than the PP payment for NI corn, the PP payment will be paid as NI wheat.

**Example 9:** Same scenario as in Example 8 except the insured had irrigation facilities in place to irrigate 225 acres and does have a history of planting corn, soybeans, and wheat within the same CY. As such, the insured has only 125 acres which can be paid PP on an IRR basis. The other 100 acres for which the insured had irrigation facilities in place was used to irrigate uninsurable and uninsured crops.

**84. Prevented from Planting – Not Enough Eligible Acreage for the Crop (Continued)**

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**B. Other Crops (continued)**

The PP payment will be made as follows:

<b>Crop</b>	<b>Unit</b>	<b>Eligible PP Acres Remaining</b>	<b>\$ Per Acre PP Guarantee</b>
Corn - IRR	0001-0001OU	50 Acres	\$150.00
Corn - NI	0001-0002OU	50 Acres	\$80.00
Soybeans - IRR	0001-0003OU	50 Acres	\$100.00
Soybeans - NI	0001-0004OU	50 Acres	\$60.00
Spring Wheat – IRR	0001-0002OU	25 Acres	\$70.00
Total		225 acres	

IRR corn acres would be used first (paid as IRR corn), followed by NI corn acres (paid as NI corn) to exhaust all eligible corn acres. Since there are still 75 eligible IRR PP acres available, the payment of the next crop to be rolled to is compared to the IRR corn payment, which would be the 50 acres of irrigated soybeans (paid as IRR soybeans since it is lower than the IRR corn). The only remaining IRR crop to compare to the IRR corn is 25 acres of IRR wheat (paid as IRR wheat since it is lower than the IRR corn). This exhausts all IRR PP eligible acres. The only remaining acres is the 50 acres of the NI soybeans (paid as NI soybeans) since the insured is limited to 125 IRR acres.

**85-90 (Reserved)**

## Acronyms and Abbreviations

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The following table provides the acronyms and abbreviations used in this handbook.

Approved Acronym/Abbreviation	Term
BP	Basic Provisions
CP	Crop Provisions
CES	Cooperative Extension Service
CY	Crop Year
DC	Double cropped or double cropping. Producing two or more crops for harvest on the same acreage in the same crop year.
DSSH	Document and Supplemental Standards Handbook, FCIC-24040
FAC	Following another crop in the same crop year. For some crops/counties, this is a practice shown on the actuarial documents separate from NFAC.
FPD	Final Planting Date
LAM	Loss Adjustment Manual, FCIC-25010
LPP	Late Planting Period
NFAC	Not Following Another Crop
NRCS	Natural Resources Conservation Service
NWS	National Weather Service
PARA.	Paragraph
PP	Prevented Planting
PW	Production Worksheet (Claim form)
SCD	Sales Closing Date
SP	Special Provisions
WA	Written Agreement

## Definitions

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Area means land surrounding the insured acreage with geographic characteristics, topography, soil type and climatic conditions similar to the insured acreage.

Cash or Share Rent (Lease) means cash renting for agricultural use (growing a crop, haying, grazing, etc.) This does not apply when the acreage is cash rented for a non-agricultural use; e.g., hunting.

Cover Crop means a crop generally recognized by agricultural experts as agronomically sound for the area for erosion control or other purposes related to conservation or soil improvement. A cover crop may be considered to be a second crop (see the definition of “second crop”).

Cropland means for insurance purposes, only land that is available for planting. Refer to paragraph 26(1)A(20)-(3) of this handbook.

Crop Year as defined in the applicable CP.

First Insured Crop means with respect to a single crop year and any specific crop acreage, the first instance that an agricultural commodity is planted for harvest or prevented from being planted and is insured under the authority of the Act. For example, if winter wheat that is not insured is planted on acreage that is later planted to soybeans that are insured, the first insured crop would be soybeans. If the winter wheat was insured, it would be the first insured crop.

Intended Acreage Report means a report of the acreage the insured intends to plant, by crop, for the current crop year and used solely for the purpose of establishing eligible prevented planting acreage, as required in Section 17(e)(ii) of the BP.

Otherwise harvested means (as used in the definition of second crop and as used in areas of the handbook discussing cover crops) harvested for other than haying or grazing. This could be for silage, grain, seed, haylage, etc.

Prevented Planting means failure to plant the insured crop by the FPD designated in the SP for the insured crop in the county, or within any applicable LPP, due to an insured cause of loss that is general to the surrounding area and that prevents other producers from planting acreage with similar characteristics. Failure to plant because of uninsured causes such as lack of proper equipment or labor to plant acreage or use of a particular production method, is not considered prevented planting.

## Definitions

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**Second Crop** means with respect to a single crop year, the next occurrence of planting any agricultural commodity for harvest following a first insured crop on the same acreage. The second crop may be the same or a different agricultural commodity as the first insured crop, except the term does not include a replanted crop. A cover crop, planted after a first insured crop (for PP, after the FPD for the PP crop (LPP, if applicable)) and planted for the purpose of haying, grazing, or otherwise harvesting in any manner; or that is hayed or grazed prior to November 1 (which generally would be when crops in the area would normally be harvested), or otherwise harvested at any time, is considered a second crop. A cover crop that is covered by FSA's noninsured crop disaster assistance program (NAP) or receives other USDA benefits associated with forage crops will be considered as planted for the purpose of haying, grazing, or otherwise harvesting. A crop meeting the conditions stated herein will be considered to be a second crop regardless of whether or not it is insured. Notwithstanding the references to haying and grazing as harvesting as stated within the BP and above, for the purpose of determining the end of the insurance period, harvest of the crop will be as defined in the applicable CP.

**CLARIFICATION OF:** "A cover crop that is covered by FSA's noninsured crop disaster assistance program NAP . . ." as stated in the definition above: "Covered" means the producer has NAP coverage for the crop planted on the PP acreage. FSA has clarified that crops intended for cover crops cannot be covered under NAP. Insureds must certify to the usage of the crop when they certify their acres at FSA. If their acres are certified as a cover crop (i.e., not haying, grazing, or otherwise harvesting), such acreage is ineligible for coverage under NAP. If the producer has enrolled the crop in NAP and certifies the acreage at FSA as intended for haying, grazing or harvest; then it would be: (1) covered under NAP and considered a second crop, and (2) the (first insured crop) PP payment is limited to 35 percent. Even if the crop planted on the PP acreage has NAP coverage in effect and it is never grazed, hayed, or harvested; it is still considered a second crop because NAP coverage is in effect.

## Irrigated Practice Guidelines

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In accordance with the instructions in the CIH, AIPs are to provide a copy of the following Irrigated Practice Guidelines to all insureds for whom the irrigated practice may apply.

The following guidelines are provided to enable insureds to properly report planted or perennial crop acreage to be insured under the irrigated practice in order to receive maximum protection under their crop insurance policy. It is very important that these guidelines be utilized to document whether, at the time insurance attaches; there is a reasonable expectation of receiving adequate water to carry out a good irrigation practice for acreage reported under the irrigated practice. The guidelines, in entirety, are substantive and are to be given to the insured in administration of their crop insurance policy.

### **A. Definitions**

The following definitions are provided to facilitate a uniform understanding of the standards and guidelines for the irrigated practice for planted or perennial crop acreage.

Adequacy of Irrigation Facilities are irrigation facilities are considered adequate if it is determined that, at the time insurance attaches, they will be available and usable at the times needed and have the capacity to timely deliver water in sufficient quantities to carry out a good irrigation practice for the acreage insured under the irrigated practice.

Irrigation Equipment and Facilities is the physical resources, other than water, used to regulate the flow of water from a water source to the acreage. This includes pumps, valves, sprinkler heads, and other control devices. It also includes pipes or pipelines which: (1) are under the control of the insured or (2) routinely deliver water only to acreage which is owned or operated by the insured. A center pivot system is considered irrigation equipment and facilities.

Irrigation Water Supply is the water source and means for supplying irrigation water, without regard to the equipment or facilities. This includes the water source and dams, canals, ditches, pipelines, etc., which contain the water for movement from the source to the acreage and (1) are not under the control of the insured or (2) routinely deliver water to acreage in addition to that which is owned or operated by the insured. It DOES NOT INCLUDE any irrigation equipment or facilities.

Water Source is the source from which water is made available. This includes wells, lakes, reservoirs, streams, aquifers, etc.

### **B. Guidelines for Annual or Perennial Crop Acreage**

To report planted or perennial crop acreage insured under the irrigated practice, the following requirements must be met.

- (1) Insured must be able to demonstrate, to the approved insurance provider's satisfaction, that adequate facilities and water existed, at the time insurance attached, to carry out a good irrigation practice for the insured crop. Some factors that the

## Irrigated Practice Guidelines (Continued)

### **B. Guidelines for Annual or Perennial Crop Acreage (continued)**

insured should be able to document and/or demonstrate would include, but are not limited to the following:

- Water source history, trends, and forecasting reliability
- Water supply availability and usage.
- Pump efficiency and capacity
- Water requirements (amount and timing) of all crops to be irrigated;
- Water rights (primary, secondary, urban versus agricultural use, etc.)
- Contingency plans to handle shortages
- Acres to be irrigated
- Ownership of the water (state or federal versus landowner)
- Meters, measuring devices and methods used
- Soil types, soil moisture levels, and pre-plant irrigation needs
- Water conservation methods, devices used, and plans utilized (if applicable)
- Past crop planting history and tillage methods
- Quantity and quality of the water supply
- Supplemental water availability and usage (including return flow)
- Recommendations from local County Extension Service (CES) or National Resource Conservation Service (NRCS), and other source recognized by CES or NRCS to be an expert in this area) regarding irrigation and crop production
- Factors considered in reporting acreage to be insured under an irrigated practice.
- Information the insured knew (or should have known) and when the insured knew (or should have known) such information pertinent to supporting a good irrigation practice.

- (2) Insured should have reasonable expectations, at the time coverage begins, of receiving adequate water to carry out a good irrigation practice. If the insured knew or had reason to know that the amount of his/her irrigation water may be reduced before coverage begins, no reasonable expectation existed.

Decreased water allocation resulting from the diversion of water for environmental or other reasons is not an insurable cause of loss unless the diversion is made necessary due to an insured cause of loss.

- (3) Insured needs to be able to document and/or demonstrate good irrigation practices, showing the application of adequate water in an acceptable manner at the proper times to allow for normal crop production, measured as the Approved APH yield for the unit.
- (4) The determination of the water adequacy of water will be based upon;
- (a) The water available (at the time insurance attaches) from the irrigation water supply, soil moisture levels, and, as applicable, snow pack storage levels;

**Irrigated Practice Guidelines (Continued)**

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**B. Guidelines for Annual or Perennial Crop Acreage (continued)**

- (b) Supplementary precipitation which would normally be received, after insurance attaches, during the period that a good irrigation practice is normally carried out.
  - (c) Consideration will also be given to the factors identified in Item (1) above, including the legal entitlement or rights to water.
- (5) Insured must demonstrate that they have the physical resources, other than water, used to regulate the flow of water from a water source to the acreage. This includes pumps, valves, sprinkler heads, and other control devices. It also includes pipes or pipelines which (1) are under the control of the insured or (2) routinely deliver water only to acreage which is owned or operated by the insured. A center pivot system is considered irrigation equipment and facilities.
  - (6) Irrigation facilities are considered adequate if it is determined that, at the time insurance attaches to planted or perennial acreage, they will be available and usable at the times needed and have the capacity to timely deliver water in sufficient quantities to carry out a good irrigation practice for the acreage insured under the irrigated practice.
  - (7) If the acreage fails to qualify for insurance under the irrigated practice, it will result in such acreage being insured under a practice other than irrigated. If no other appropriate practice is available for the acreage, insurance will not be considered to have attached on the acreage.
  - (8) Failure to carry out a good irrigation practice on acreage properly insured under the irrigated practice will result in an appraisal for uninsured causes against such acreage, unless the failure was caused by unavoidable failure of the irrigation water supply after insurance attached or failure or breakdown of the irrigation equipment or facilities due to an insured cause of loss provided all reasonable efforts to restore the irrigation equipment facilities to proper working order within a reasonable amount of time were taken by the insured, unless the AIP determines it is not practical to do so. Cost will not be considered when determining whether it is practical to restore the equipment or facilities.

If a loss is evident, acreage reported as an irrigated practice that qualified as an irrigated practice at the time insurance attached cannot be revised to a non-irrigated practice after the acreage reporting date even if liability stays the same or decreases, even if the insured never applied any water.

- (9) Insureds are required to keep separate production records for acreage insured under the irrigated practice from acreage insured under a practice other than irrigated (or with no practice applicable) and uninsured acreage.

**Irrigated Practice Guidelines (Continued)**

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**C. Guidelines for PP Coverage**

Insureds may be able to receive a prevented planting payment for acreage historically grown under an irrigated practice if there is not a reasonable expectation of having adequate water (due to an insured cause of loss occurring in the prevented planting insurance period) on the final planting date (or within the late planting period if the insured elects to try to plant the crop) to carry out an irrigated practice, provided all other prevented planting provisions have been met.

- (1) Insureds are expected to be prepared to provide documentation of the factors which were considered in reporting that there was no reasonable expectation of receiving adequate irrigation water for the acreage reported as prevented planting under an irrigated practice.
- (2) Acreage historically grown under an irrigated practice for which the insured had no reasonable expectation of having adequate irrigation water by the final planting date (or within the late planting period, if applicable), may be eligible for an irrigated prevented planting payment even if the acreage could have been planted with a non-irrigated practice and the producer elects not to plant.

**First Crop/ Second Crop Examples**

**Example 1:**

2<sup>nd</sup> crop soybeans Unit 0001-0001BU

<p>1<sup>st</sup> Crop PP Wheat Unit 0001-0001BU  No Second Crop  40 Acres – Field A</p>	<p>1<sup>st</sup> Crop PP Wheat Unit 0002-0001BU  Second Crop Soybeans  40 Acres – Field B</p>	<p>1<sup>st</sup> Crop PP Wheat Unit 0003-0001BU  Second Crop Soybeans  40 Acres – Field C</p>
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80 acres of soybeans were planted in fields B and C of unit 0001-0001BU soybeans. Only unit 0001-0001BU PP wheat will receive 100 percent PP payment. Unit 0002-0001BU and Unit 0003-0001BU PP wheat will receive 35 percent of the PP payment.

**Example 2:**

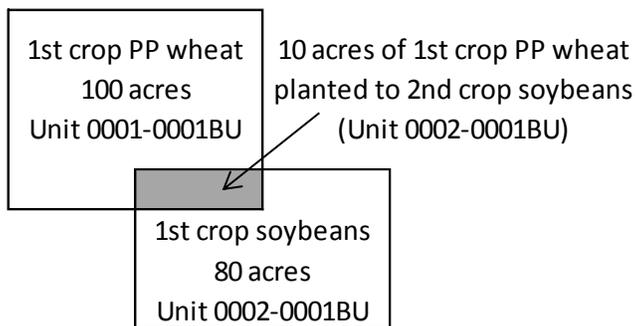
<p>1<sup>st</sup> Crop PP Wheat – 40 acres  Unit 0001-0001BU  40 acres Cover crop planted after LPP for Wheat –not terminated due to insured cause – left and hayed August 30th</p>	<p>1<sup>st</sup> Crop PP Grain Sorghum -40 acres  Unit 0001-0001BU  40 acres cover crop planted after LPP for Grain Sorghum and grazed Aug.-Sept.</p>	<p>1<sup>st</sup> Crop PP Corn 80 acres  Unit 0002-0001BU no second crop  40 acres cover crop planted after LPP period and grazed Aug.–Sept.</p>
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Unit 000-0001BU wheat will received 35 percent of the PP payment since the cover crop was hayed prior to November 1. Unit 0001-0001BU grain sorghum will also receive 35 percent of the PP payment since the cover crop was grazed prior to Nov. 1. Unit 002-001 BU corn will receive 100 percent PP payment on 40 acres because there was no second crop or cover crop planted on 40 of the 80 acres. The other 40 acres will receive 35 percent PP Payment because the cover crop was grazed prior to Nov. 1. Refer to Exhibit 5 for visual aid depicting the impacts of a cover crop on PP eligibility and amount of PP payment.

**First Crop/ Second Crop Examples (Continued)**

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**Example 3:** A portion of the first insured crop (PP acreage) is planted to a second crop.



For unit 0001-0001BU wheat, 90 acres of the PP wheat will receive 100 percent of the PP payment. However, unless DC requirements are met, the 10 acres on which the soybeans (second crop) was planted is limited to 35 percent of the PP payment. All of Unit 0002-0001BU soybean acreage will receive 100 percent of any indemnity

**Impacts of a Cover Crop on PP Eligibility and Amount of PP Payment**

The following table can be used as a visual aid showing cover crop impacts on determining PP eligibility and amount of PP payment. It must be used in conjunction with the BP, SP, and all applicable provisions and procedures contained herein:

Cover Crop Planted	Disposition	Pay 100%	Pay 35%	Pay 0%
Before FPD of the Prevented Crop	Hayed on or before LPP	X		
	Grazed on or before LPP	X		
	Harvested before Nov 1			X
	Harvested on or after Nov 1			X
	Hayed after LPP, but before Nov 1		X*	
	Grazed after LPP, but before Nov 1		X*	
During LPP of the Prevented Crop	Harvested before Nov 1			X
	Harvested on or after Nov 1			X
	Hayed on or after Nov 1	X		
	Grazed on or after Nov 1	X		
	Hayed before Nov 1			X
	Grazed before Nov 1			X
After LPP of the Prevented Crop	Hayed before Nov 1		X	
	Grazed before Nov 1		X	
	Harvested before Nov 1		X*	
	Harvested on or after Nov 1		X*	
	Hayed on or after Nov 1	X		
	Grazed on or after Nov 1	X		

\*Provided the crop claimed as a cover crop is not the prevented crop and all other policy provisions are met.

**Relevant Final Agency Determinations**

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A listing of all relevant bulletins, fact sheets, FADs, FAQs, press releases, and program announcements related to PP can be found at: <http://www.rma.usda.gov/news/currentissues/prevented/>

All RMA program materials pertaining to PP must be used in conjunction with the SP, BP, CP, and PP handbook, as applicable.