Valdosta Regional Office — Valdosta, GA

Revised January 2018

Peanuts

Alabama, Florida, Georgia, and South Carolina

Crop Insured

All of your peanuts are insurable in the county if:

- The actuarial documents provide premium rates;
- They are a type designated in the special provisions;
- They are planted for the purpose of marketing as farmers' stock peanuts; and
- You have a share in the crop.

Unless allowed by written agreement, the policy does not cover peanuts that are:

- Planted to harvest as green peanuts; or
- Interplanted with another crop.

Counties Available

See the actuarial documents at webapp.rma.usda.gov/apps/ActuarialInformationBrowser/Default.aspx for insurable counties. The crop may be insurable in other counties by written agreement if specific criteria are met. Talk to your crop insurance agent for more details.

Causes of Loss

You are protected against the following:

- Adverse weather conditions;
- Earthquake;
- Failure of irrigation water supply, if caused by an insured peril during the insurance year;
- Fire;
- Insects or plant disease, but not damage due to insufficient or improper application of control measures;
- Price change (for revenue protection);
- Volcanic eruption; or
- Wildlife.

Insurance Period

Coverage begins when the crop is planted and ends with the earliest occurrence of one of the following:

- Total destruction of the crop;
- Harvest;
- Final adjustment of a loss;
- Abandonment of the crop; or
- November 30.

Important Dates

Sales Closing/Cancellation ...... February 28, 2018
Final Planting ……….Varies by State and County
Acreage Reporting …........…..…… July 15, 2018
Premium Billing ……...…..……. August 15, 2018
Termination …......……...…….. February 28, 2019

Reporting Requirements

Acreage Report - You must report all acres of the crop, in which you have a share in the county, to your crop insurance agent by the acreage reporting date. If you choose the weighted average projected price option under the yield protection insurance plan, you must also provide a copy of your sheller contract(s) by the acreage reporting date.

Insurance Plans

You may buy crop insurance coverage under one of three insurance plans offered.

Yield Protection - Insurance coverage providing protection only against a production loss.

Revenue Protection - Insurance coverage providing protection against loss of revenue due to a production loss, price decline/increase, or a combination of both.

Revenue Protection with Harvest Price Exclusion - Insurance coverage providing protection only against revenue loss due to a production loss, price decline, or a combination of both. The harvest price is not excluded for determining value of production in loss determination.

Definitions

Average Price Per Pound - The average Commodity Credit Corporation loan price per pound, by type, or other price for each type contained in the special provisions.

Commodity Exchange Price Provisions (CEPP PEANUTS) - This document includes the information necessary to find the projected price and the harvest price for your insured crop.

Harvest Price - A price determined according to CEPP-PEANUTS and used to value production-to-count for revenue protection.

Projected Price - The price for each insurable peanut type determined according to CEPP-PEANUTS. The projected price is used for the insured crop whether you choose revenue protection or yield protection for your crop, unless you choose the weighted average projected price for peanuts grown for sale under a sheller contract. Projected prices can be determined by contacting your crop insurance agent or go to webapp.rma.usda.gov/apps/ActuarialInformationBrowser/Default.aspx.

Revenue Protection Guarantee - For revenue protection only, the amount determined by multiplying the production guarantee (per acre) by the greater of your projected price or your harvest price. If you choose harvest price exclusion, the production guarantee (per acre) is only multiplied by your projected price.

Sheller Contract - A written agreement between you and the sheller or handler containing at least:

- Your commitment to plant, grow, and deliver peanuts to the sheller or handler;
- The sheller or handler's commitment to buy all production stated in the sheller contract; and
- A base contract price.

Value Per Pound - A price USDA determines, as shown on the USDA "Inspection Certificate and Calculation Worksheet."

Weighted Average Projected Price - The price that applies for each insurable type of peanuts:

- Insured under the yield protection plan;
- Grown for sale under a sheller contract;
- You choose; and
- Determined, as provided in section 3(c) of the Peanut Crop Provisions.

Yield Protection Guarantee - When yield protection is selected, the amount determined by multiplying the production guarantee by your projected price or weighted average projected price.

Coverage Levels and Premium Subsidies

Coverage levels range from 50 to 85 percent of your approved yield. You may choose one coverage level for all your irrigated acreage in the county and a different coverage level for all your non-irrigated acreage. Crop insurance premiums are subsidized as shown in the following table. Your share of the premium is 100 percent minus the subsidy amount. For example, if you choose the 75 percent coverage level, the premium subsidy is 55 percent. Your premium share is 45 percent of the base premium for optional or basic units (100 - 55 = 45 percent).

Item	Percent							
Coverage Level	50	55	60	65	70	75	80	85
Premium Subsidy	67	64	64	59	59	55	48	38
Your Premium Share	33	36	36	41	41	45	52	62

Catastrophic Risk Protection (CAT) coverage is fixed at 50 percent of your approved yield and 55 percent of the projected price. CAT is 100-percent subsidized with no premium cost to you. There is an administrative fee of $300 per crop per county, regardless of the acreage.

Duties in the Event of Damage or Loss

You must perform the following duties in the event of damage or loss:

- Notify your agent within 72 hours of your initial discovery of damage or loss of production, but not later than 15 days after the end of the insurance period; and
- Representative samples of the unharvested crop must not be destroyed or harvested until inspected by the insurance company or 15 days after harvest of the balance of the unit is completed, whichever is earlier.

Insurance Units

Basic Units - A basic insurance unit includes all your insurable peanut acreage in the county in which you have 100 percent share and includes any cash-rented land. If you also grew peanuts on shares with another entity, that acreage would be a separate basic unit. A premium discount applies.

Optional Units - A basic unit may be divided into two or more optional units by Farm Service Agency Farm Serial Number, irrigated and non-irrigated acreage, or organic practice. No premium discount applies.

Enterprise Unit - All insurable peanuts in the county in which you have a share. Enterprise units are allowed by irrigated or non-irrigated practice. To qualify for an enterprise unit, you must have:

- Yield or revenue protection insurance; and
- At least two farm serial numbers, each having the lesser of 20 acres or 20 percent of the insured crop acreage in the enterprise unit; or
- One farm serial number with at least 660 planted acres.

A variable premium discount and increased premium subsidy apply.

Prevented Planting

Prevented planting coverage is 55 percent of your production guarantee for timely planted acreage. For an additional premium, you may increase your prevented planting coverage.

Replant Provisions

You may receive a replanting payment if your peanuts are damaged by an insurable cause of loss so the remaining stand will not produce at least 90 percent of the production guarantee and it is practical to replant. The replanting payment per acre is $95 multiplied by your share. Replanting payments are not available with CAT coverage.

Quality Adjustment

Quality adjustment is based on a comparison of the grade value of the peanuts to the USDA loan price. The grade value is found on the Farm Service Agency Inspection Certificate and Calculation Worksheet (Form 1007). Quality adjustment may apply when the value per pound of damaged peanuts (by type) on Form 1007 is less than 90 percent of the average price per pound (based on the loan price). The amount of such production is reduced by:

- Dividing the value per pound for the insured type of peanuts by the applicable average price per pound; and
- Multiplying this result by the number of pounds of such production.

Supplemental Coverage Option (SCO)

This policy endorsement provides additional coverage for a part of your peanut policy deductible up to the 86 percent coverage level. SCO may be added to individual yield or revenue plans. The coverage is based on your expected crop value. The trigger for a loss is based on an area loss in yield or revenue. Talk to your crop insurance agent for county availability and detailed information on this endorsement.

Loss Example

A yield protection loss occurs when peanut production for the unit falls below the production guarantee because of damage from a covered cause of loss. A revenue protection loss occurs when the value of production-to-count is less than the revenue protection guarantee due to a production loss and/or revenue loss. Assume non-irrigated peanuts insured with an approved yield of 3,000 pounds per acre, 75 percent coverage level, a 100 percent share, and one acre basic unit. The projected price election is $0.245 and the harvest price is $0.260.

Yield Protection		**Revenue Protection**
3,000	Pounds/Acre APH yield	3,000
x 0.75	Coverage Level	x 0.75
2,250	Pounds/Acre Guarantee	2,250
x $0.245	Projected Price	x $0.245
$551	Insurance Guarantee	$551
950	Pounds Produced	950
x $0.245	Projected Price	—
—	Harvest price	x $0.260
$233	Production-to-Count value	$247
$551	Insurance Guarantee	$585
- $233	Production-to-Count Value	- $247
$ 318	**Indemnity/Acre**	**$338**

Due to an insurable cause of loss, the production-to-count is 950 pounds.

The Revenue Protection Insurance Guarantee (initially based on the Projected Price until the Harvest Price is established) is equal to the Production Guarantee multiplied by the greater of the Projected Price or the Harvest Price. In the Revenue Protection example, the Insurance Guarantee increased to $585 (2,250 Pounds per Acre Guarantee x $0.260 Harvest Price, rounded).

The Production-to-Count Value is equal to the Production to Count multiplied by the Harvest Price (950 Pounds Produced x $0.26 per pound Harvest Price = $247).

Where to Buy Crop Insurance

All multi-peril crop insurance, including CAT policies, are available from private crop insurance agents. A list of crop insurance agents is available at all USDA service centers and on the RMA website at www.rma.usda.gov/tools/agent.html.

Contact Us

USDA/RMA
Valdosta Regional Office
106 S. Patterson St., Suite 250
Valdosta, GA 31601-5673
Phone: (229) 242-7235
Fax: (229) 242-3566
Email: rsoga@rma.usda.gov