

PASS Peanut Processing

<p>Contract Commodity Processing in PASS</p>	<p>For 2011, the Acreage, “P11” record will be used to report contract commodities (i.e. peanuts). The original direction was to create a child record of the 2011 P11 specifically for reporting contract commodities. After analysis of that solution, it has been determined that the 2011 Acreage, “P11” record can be used for reporting multiple price contract pound commodities. The following describes how Peanuts will be processed in PASS.</p>
<p>Fields used in Peanut Processing</p>	<p>For 2011, there are changes with the fields associated with Peanut processing. The legacy Peanut Processing Code has been renamed Commodity Price Processing Code. This code will be used with the Commodity Code equals Peanuts, “0075” and will contain one of the following values:</p> <ul style="list-style-type: none"> • Single, “S” – represents single contract price • Multiple, “M” – represents multiple contract prices • Empty – represents non-contract peanut price <p>Also specific to Peanut processing is an additional field for 2011 called Contract Liability Record Flag. This field will indicate if the P11 submitted will be used for either Liability or Guarantee reporting.</p> <p>A new exhibit, Peanut Processing Fields, “P11-3” will be published that outlines in detail which fields will be required for Liability and Guarantee reporting for Peanuts for 2011.</p>
<p>Guarantee Record</p>	<p>The primary purpose of the Guarantee Record is to report Total Guarantee including adjustments</p> $\text{Guarantee Per Acre} = (\text{Yield} * \text{Coverage Level}) * \text{Adjustments} * \text{Reported Acres}$
<p>Liability Record</p>	<p>The primary purpose of the Liability Record is to calculate premium and liability for Contract/Non-Contract prices</p> <ol style="list-style-type: none"> a. Reported Pounds – both Contract and Non-Contract Pounds total for the unit should equal Unadjusted Total Guarantee for the unit (this field used to be called Contract Pounds) b. How to calculate Premium/Liability <ol style="list-style-type: none"> i. Expectations – Minimum of one line of data for each price including any Non-Contract Pounds (to cover total guarantee) – Required c. Premium is calculated from Unadjusted Total Guarantee (Reported Pounds) d. Liability is calculated from Adjusted Total Guarantee

Example	<p>The following references the attached example:</p> <ol style="list-style-type: none"> 1. 80 acres planted with the following guarantee records: <ol style="list-style-type: none"> a. 40 acres time planted (Line G1) b. 20 acres late planted (Line G2 – LP5) c. 20 acres prevented planted (Line G3 – PP) 2. Liability Records <ol style="list-style-type: none"> a. Line L1C – Contract Price of .23 for 56,249 pounds b. Line L2C – Contract Price of .21 for 91,380 pounds c. Line L3N – Non-Contract Price of .19 for 4022 pounds to cover Total Guarantee before adjustment 3. To calculate Premium, use the Contract Price multiplied by the Reported Pounds or the Price Election Amount (if all pounds for the unit are not covered by contract.) The sum of the Reported Pounds must equal the sum of the Unadjusted Total Guarantee for the unit. 4. Report the Total Guarantee (Adjusted) for each Liability row (see <i>Liability Total Guarantee Calculation</i> in example below.) Total guarantee is applied to Liability rows until Adjusted Total Guarantee equals zero. 5. Calculate Liability Amount from Total Guarantee on each Liability record row.
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	Unit Number	Adjustment Type	Commodity			Acres	Guarantee	Guarantee	Total	Total
			Code	Type Code	Practice Code		Adjustment Factor	Per Acre	Guarantee (Unadjusted)	Guarantee (Adjusted)
G1	100020000		0075	084	003	40		2,198	87,920	87,920
G2	100020000	LP5	0075	084	003	20	0.95	2,088	41,760	39,672
G3	100020000	PP	0075	084	003	20	0.65	1,099	21,980	20,881
						<u>80</u>			<u>151,660</u>	<u>148,473</u>

	Unit Number	Reported Pounds	Contract Price	Price Election Amount	Liability	Total Premium	Total
							Guarantee
L1C	100020000	56,249	0.236	0	13,275	1,449	56,249
L2C	100020000	91,389	0.245	0	22,390	2,444	91,389
L3N	100020000	4,022	0	0.213	857	93	835
		<u>151,660</u>			<u>36,522</u>	<u>3,986</u>	<u>148,473</u>

Liability Total
Guarantee Calculation

148,473
(56,249) Contract lbs at .23
<u>92,224</u>
(91,389) Contract lbs at .21
<u>835</u> Non-Contract lbs
178 Liability

C = Contract
 N = Non-Contract
 Base Premium Rate = 0.10913587
 Guarantee Per Acre = Yield x Coverage Level
 PP = Prevented Planting
 LP5 = Late Planting 5 days
 Total Guarantee (Adjusted) = Is Reported on the Guarantee Record
 Total Guarantee (Unadjusted) = Is NOT Reported on the Guarantee Record
 Liability = Price Election Amount x Non-Contract Pounds