



United States Department of Agriculture
Risk Management Agency

December 2008

2009 COMMODITY INSURANCE FACT SHEET

Peanuts— APH

Alabama, Florida, Georgia, South Carolina

Crop Insured

The crop insured will be all the peanuts in the county for which a premium rate is provided by actuarial documents:

- In which you have a share;
- That are planted for the purpose of marketing as farmers' stock peanuts; and
- That are of a type designated in the special provisions;

Unless allowed by the special provisions, the policy does not cover peanuts that are:

- Planted to harvest as green peanuts; or
- Inter-planted with another crop or into an established grass or legume*.

*No-till or minimum-till peanuts are insurable provided that the vegetation into which the peanuts are to be planted is killed with an approved herbicide.

Counties Available

More than one insurance plan is offered for peanuts in some locations. Contact your crop insurance agent for more details on plans offered in your state and county.

Causes of Loss

Adverse weather conditions
 Earthquake
 Failure of irrigation water supply¹
 Fire
 Insects²
 Plant disease³
 Volcanic eruption
 Wildlife

¹If caused by an insured peril during the insurance period. ²But not damage due to insufficient or improper application of pest control measures. ³But not damage due to insufficient or improper application of disease control measures.

Insurance Period

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

- 1) Total destruction of the crop;
- 2) Harvest of the crop;
- 3) Final adjustment of a loss;
- 4) Abandonment of the crop; or
- 5) November 30.

Reporting Requirements

Acreage Report—You must timely report all acres of the crop in which you have a share to your insurance agent. To insure your peanuts in accordance with your sheller contract, you must provide a copy of the contract by the acreage reporting date.

Notice of Loss— (1) Protect the crop from further damage by providing sufficient care; (2) notify your agent within 72 hours of your initial discovery of damage; and (3) leave representative samples intact for each field of the damaged unit.

Important Dates

Sales Closing.....	February 28
Final Planting:	
AL, FL, GA.....	May 31
SC.....	May 25
Acreage Reporting.....	June 30
Premium Billing.....	October 1
Cancellation/Termination.....	February 28

Definitions

Price Election— The price used to calculate your premium or indemnity. For peanuts, you may choose the price published by FCIC or the base price established in your sheller contract, not to exceed 1.20 times the FCIC price. Price elections are posted on the RMA website at:

<http://www3.rma.usda.gov/apps/pricesinquiry/>

Production Guarantee— Number of pounds guaranteed determined by multiplying your average yield (based on your records) times the coverage level percentage you elect times your planted acres.

Sheller Contract — A written agreement between the producer and a sheller or handler containing, at a minimum:

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

Replant Provisions

A replanting payment is allowed if the peanuts are damaged by an insurable cause of loss to the extent that the remaining stand will not produce at least 90-percent of the production guarantee and it is practical to replant. The maximum amount of the replanting payment per acre will be the lesser of:

- 20-percent of the production guarantee multiplied by your price election and share;
- The actual cost of replanting per acre; or
- \$80 per acre multiplied by your share.

Note: Replanting payments are not available with CAT coverage.

Late and Prevented Planting

These provisions provide a reduced amount of protection on acreage that is planted late or that cannot be planted at all due to insurable causes. Please consult a crop insurance agent for details

Coverage Levels and Premium Subsidies

Coverage levels range from 50 to 85 percent of your average yield. For example, an average yield of 3,600 pounds per acre would result in a guarantee of 2,700 pounds per acre at the 75-percent coverage level. Crop insurance premiums are subsidized as shown in the following table. For example, if you select the 75-percent coverage level, your premium share would be 45 percent of the base premium.

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 (CAT) coverage is fixed at 50 percent of your average yield and 55 percent of the price election. CAT is 100 percent subsidized with no premium cost to you. There is, however, an administrative fee of \$300 per crop per county, regardless of the acreage.

Insurance Units

Your insurable acreage is grouped into a unit based on one of the following unit arrangements.

Basic Units: A basic insurance unit includes all of 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. Premiums are discounted 10 percent if you insure under basic units.

Optional Units: If a basic unit consists of two or more farm serial numbers (FSN) and certain record-keeping criteria are met, you may select optional units by FSN. The 10-percent basic unit premium discount will not apply.

Loss Example

This example is based on non-irrigated peanuts with an average yield of 3,000 pounds per acre, 75-percent coverage level, 950 pounds of production to count, a \$0.205 per pound price election, 100-percent share and a one acre basic unit.

3,000	Pounds per acre average yield
<u>x .75</u>	Coverage level percentage
2,250	Pounds per acre guarantee
<u>- 950</u>	Pounds actual production
1,300	Pounds loss
<u>x \$.205</u>	Price election
\$ 267	Indemnity/acre

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