



United States Department of Agriculture  
Risk Management Agency

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## 2012 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 written agreement, the policy does not cover peanuts that are:

- Planted to harvest as green peanuts;
- Inter-planted with another crop; or
- Planted into an established grass or legume unless the grass or legume is terminated prior to emergence of the insured crop.

### Counties Available

Contact your crop insurance agent for a listing of eligible counties.

### Causes of Loss

Adverse weather conditions	Insects <sup>2</sup>
Earthquake	Plant disease <sup>3</sup>
Failure of irrigation water supply <sup>1</sup>	Volcanic eruption
Fire	Wildlife

<sup>1</sup>If caused by an insured peril during the insurance period.

<sup>2</sup>But not damage due to insufficient or improper application of pest control measures. <sup>3</sup>But 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**— In the event of loss, you must:

- (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) if required, leave representative unharvested samples intact for each field of the damaged unit.

### Important Dates

Sales Closing.....	February 28
Final Planting .....	(Dates differ by state and county)
Acreage Reporting.....	July 15
Premium Billing.....	August 15
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://webapp.rma.usda.gov/apps/ActuarialInformationBrowser/>

**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.

See your crop insurance agent for additional details on replant payments.

Note: Replanting payments are not available with CAT coverage.

## Late and Prevented Planting

The peanut crop 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 approved 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. Your share of the premium will be 100 percent minus the subsidy amount. For example, if you select 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).

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.

## 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. You may also select optional units by irrigated and non-irrigated practice or by organic practice. 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, a 100-percent price election of \$0.288 per pound, 100-percent share, and a one-acre basic unit. Due to an insurable cause of loss, the production to count is 950 pounds.

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 \$ .288</u>	Price election
<b>\$ 374</b>	<b>Indemnity per acre</b>

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