



United States Department of Agriculture
Risk Management Agency

May 2006

2006 COMMODITY INSURANCE FACT SHEET

Peanuts

North Carolina

Crop Insured

Peanuts planted for the purpose of marketing as farmers' stock peanuts and that are of a peanut type designated as being insurable may be insured under the peanut policy. 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 two to three weeks prior to planting.

Counties Available

Peanuts are insurable in Beaufort, Bertie, Bladen, Chowan, Columbus, Edgecombe, Gates, Greene, Halifax, Hertford, Johnston, Martin, Nash, Northampton, Pasquotank, Pender, Perquimans, Pitt, Sampson, Tyrrell, Washington, Wayne, and Wilson counties. Peanuts may be insurable in other counties if specific criteria are met. Contact a crop insurance agent for more details.

Causes of Loss

Adverse weather conditions¹
 Failure of irrigation water supply²
 Fire
 Disease³
 Insects³
 Wildlife

¹Natural perils such as hail, frost, freeze, drought, and excess moisture. ²If due to insurable causes. ³Does not include damage to insufficient or improper application of pest or 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) removal of peanuts from the field, (3) abandonment of the crop, (4) final adjustment of a claim or (5) November 30, 2006.

Reporting Requirements

Acreage Report— You must timely report to your insurance agent all acres of the crop in which you have a share.

Important Dates

Sales Closing	February 28, 2006
Initial Planting ¹	April 16, 2006
Final Planting ²	May 31, 2006
Acreage Report Due.....	June 30, 2006

In Bladen, Columbus, Pender, and Sampson counties:

¹ Initial planting date is April 10.

² Final planting date is May 25.

Definitions

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

Price Election—The price used to calculate your premium or indemnity. Price elections are posted on the RMA website at:

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

Duties in the Event of Damage or 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 (but not later than 15 days after the end of the insurance period); and (3) leave representative samples intact for each field of the damaged unit.

Price Election

18 cents per pound

Coverage Levels and Premium Subsidies

Coverage level options range from 50 to 75 percent of your average APH yield and are subsidized as shown in the table below. As an example, an average peanut yield of 3,000 pounds per acre would result in a guarantee of 2,250 pounds per acre at the 75-percent coverage level. From the table, if you selected the 75-percent coverage level, your premium share would be 45 percent of the base premium:

Item	Percent					
Coverage Level	50	55	60	65	70	75
Premium Subsidy	67	64	64	59	59	55
Your Premium Share	33	36	36	41	41	45

Catastrophic (CAT) coverage is fixed at 50 percent of average yield and 55 percent of the price election. CAT is 100-percent subsidized with no premium cost to you except for an administrative fee of \$100, regardless of the acreage.

Insurance Units

Your insurable acreage will be grouped into one or more units in order to establish the approved yield, calculate a guarantee, and determine any indemnity.

Replant Provisions

A replanting payment is allowed if your peanut crop is damaged by a covered cause of loss to the extent that the remaining stand will not produce at least 90 percent of your guarantee and it is practical to replant. The maximum replanting payment per acre will be the lesser of:

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

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.

Loss Example

This example is based on peanuts on a non-irrigated average yield of 3,000 pounds per acre, 75-percent coverage level, and one basic unit.

3,000	Pounds per acre average yield
x <u>.75</u>	Coverage level
2,250	Pounds per acre guarantee
- <u>950</u>	Pounds per acre harvested
1,300	Pounds per acre loss
x <u>\$.18</u>	Price election
\$234	Indemnity per acre
- <u>\$20</u>	Estimated premium per acre
\$214	Net indemnity per acre

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