

2008 FCIC 18010-02 Crop Insurance Handbook (CIH) Summary of Changes

Listed below are changes to the Peanut procedures [Section 6, Par. J(11)(f)] being made by slipsheet. Refer to the actual slipsheet to the 2006 CIH to identify clarifications/changes that have been made effective for 2008.

| Reference | Description of additions, changes or clarifications: |
|------------------|---|
| Sec. 6J(11)(f) | Clarified that each Sheller contract must have a Peanut Warehouse code and the AIP requirements for reporting to RMA Data Acceptance System referenced in Appendix III. |

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U.S. DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250

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| FEDERAL CROP INSURANCE CORPORATION DIRECTIVE | | NUMBER: 18010-02 (2-08) 18010-01 (6-06) 18010 (6-05) |
| SUBJECT: AMENDMENTS TO THE 2006 FCIC 18010 CROP INSURANCE HANDBOOK (CIH) FOR THE 2008 AND SUCCEEDING CROP YEARS | DATE: <i>February 04, 2008</i> | |
| | OPI: Product Administration and Standards Division | |
| | APPROVED: <i>Tim B. Witt /s/</i> Deputy Administrator, Product Management | |

1 (SECTION 1) PURPOSE

To update and transmit clarifications to the 2006 FCIC 18010 Crop Insurance Handbook (CIH) for the 2008 crop year relating to Peanuts, Section 6 Par. J(11) (f). The CIH provides the underwriting instructions for Multiple Peril Crop Insurance (MPCI) Policies insured at the CATASTROPHIC AND ADDITIONAL COVERAGE levels.

1A Effective Date. Upon approval.

1B Series Replaced.

B(1) None.

B(2) Conversion of the above issuance will take place upon receipt of this amendment.

1C **Filing Instructions**

| Remove Pages | | Insert Pages | |
|---------------------|-----------------|---------------------|---------------------|
| 127-128 | dated June 2006 | 127-128 | dated February 2008 |

DISTRIBUTION: Risk Management Agency Directors, Branch Chiefs, Washington, D.C., and Kansas City; Regional and Risk Compliance Field Offices; Reinsured Companies, National Appeals Division, National Crop Insurance Services and Crop Insurance Research Bureau.

- 2 Production data may be obtained from grading sheets, settlement sheets, ledger sheets, weight tickets, or other verifiable documentation from a buyer, broker, processor, or storage facility. Such records must show net pounds after adjusting for foreign matter, moisture, quality, etc.
- 3 Acreage and production data by farm serial number, practice, and type, may be available from documents on file at the FSA county office where the farm serial number is maintained. Examples of such acceptable documents include FSA-156 Farm Record Card, FSA-578 Report of Acreage, FSA-1002 Peanut Marketing Card ("smart card"), and FSA-1007 Inspection Certificate and Sales Memorandum. In addition, county offices may also maintain acreage and production data from these and other documents on computer spreadsheets by farm serial number.

(11)(e) Default Provisions. Any issues or provisions not specifically addressed above for peanuts will be covered by standard APH procedures, including the SPOI, the Peanut CP, and the BP.

(11)(f) Reporting Requirements for Peanut Sheller Contracts. Effective beginning with the 2008 crop year, the peanut policy provides insurance coverage based on the price contained in the Sheller contract, not to exceed 120 percent of the FCIC issued price election. Each Sheller contract must have a Peanut Sheller Warehouse code. [See FCIC Appendix III for a list of Peanut Sheller Warehouse Codes. AIP's should assure their agents have the most recent Peanut Sheller Warehouse Codes for properly coding acreage records by unit.]

For insureds choosing to insure peanuts grown under a Sheller Contract, the insured must provide a copy of the Sheller Contract to their AIP by the acreage reporting date. When contract price(s) are used for insurance purposes, the insured must allocate the contracted pounds to each applicable unit(s). The contract price(s) must be recorded on the acreage report by the applicable unit(s) and correspond to the Peanut Sheller Warehouse Code. Such information is required to report and calculate the total guarantee for the unit and to report and calculate the liability by price and premium rate for the unit. If conditions occur within the unit that requires additional records (i.e., late planting, prevented planting, type, practice or share), the total guarantee and liability/premium record must be reported (see Appendix III).