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Federal Crop
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(11-2017)

PEANUT CROP INSURANCE STANDARDS HANDBOOK

2018 and Succeeding Crop Years

**RISK MANAGEMENT AGENCY
KANSAS CITY, MO**

TITLE: PEANUT CROP INSURANCE STANDARDS HANDBOOK	NUMBER: 20075U (11-2017)
EFFECTIVE DATE: 2018 and succeeding Crop Years	ISSUE DATE: November 22, 2017
SUBJECT: Provides the procedures and instructions for administering the Peanut crop insurance program	OPI: Product Administration and Standards Division
	APPROVED: /s/ Richard Flournoy Deputy Administrator for Product Management

REASONS FOR ISSUANCE

Major Changes: Refer to changes or additions in text that have been highlighted. Three stars (***) identify the location where information has been removed from the handbook.

Revised procedures to allow contract prices and the weighted average projected price to be used in calculating liability and indemnities for peanuts under the revenue plan of coverage.

PEANUT CROP INSURANCE STANDARDS HANDBOOK

CONTROL CHART

Peanut Crop Insurance Standards Handbook							
	TP Page(s)	TC Page(s)	Text Page(s)	Exhibit Number	Exhibit Page No.(s)	Date	Directive Number
Insert	Entire Handbook						
Current Index	1-2	1	1-5			11-2017	FCIC-20075U

FILING INSTRUCTIONS

This handbook is effective for the 2018 and succeeding crop years.

**PEANUT CROP INSURANCE STANDARDS HANDBOOK
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PART 1 GENERAL INFORMATION AND RESPONSIBILITIES

1 General Information

A. Purpose

The purpose of this handbook is to provide supplementary instructions for establishing Peanut (PT) crop insurance coverage in accordance with the PT CP (18-PT-075), PT LASH (FCIC-20075L), and the CIH (FCIC-18010). The supplemental RMA-issued standards for this crop and crop year are in effect as of the signature date for this crop handbook at www.rma.usda.gov/handbooks/20000/index.html.

This handbook remains in effect until superseded by reissuance of either the entire handbook or selected portions (through amendments, bulletins, or FADs). If amendments are issued for a handbook, the original handbook as amended shall constitute the handbook. A bulletin or FAD can supersede either the original handbook or subsequent amendments.

B. Authority

The PT Crop Insurance Program is approved by the FCIC Board of Directors under Section 508(h) of the Federal Crop Insurance Act.

C. Program Duration

The PT Crop Insurance Program is available until cancelled by the FCIC Board of Directors.

2 Responsibilities

A. AIPs

AIPs must use standards, procedures, methods and instructions as authorized by FCIC in the sale and service of crop insurance policies. Each AIP is responsible for using RMA approved procedures. Procedures herein must be administered on a policy basis.

B. Insured

To be eligible for the PT Crop Insurance Program, insureds must comply with all terms and conditions of the BP and PT CP.

3-10 (Reserved)

PART 2 STANDARDS AND INSTRUCTIONS

11 General Rules

A. The PT Crop Insurance Program is a program providing coverage to peanut producers under the YP, RP, and RPHPE plans of insurance. In general, the FCIC 18010 CIH for Category B crops applies to peanuts. The terminology and instructions contained in the CIH Parts 1-15, 17, 19, 22, and applicable exhibits that apply to the AIP and the insured apply to the PT program.

B. Related Handbooks

The following table provides handbooks closely related to this handbook. However, other RMA approved handbooks may refer to this handbook and be applicable.

Handbook	Relation/Purpose
CIH	Provides overall general underwriting (not crop specific) process.
GSH	General administrative procedures.

- (1) Procedures, terms, abbreviations, and definitions general (not crop specific) are identified in the CIH.
- (2) Procedures, terms, abbreviations, and definitions specific to PT are identified as additions or exceptions in this handbook.

12-20 (Reserved)

PART 3 CROP INSURANCE HANDBOOK

21 CIH Applicability

Changes and additions to the CIH for PT are described in this part. All other applicable CIH procedures apply.

22 CIH Part 10, Section 4, Whole Farm Units, Paragraph 1045, Availability

Whole farm units are not available for peanuts. [See section 2 of the PT CP.]

23 CIH Part 19, Section 1, Paragraph 1914, Peanuts

A. Insurability Requirements

- ***
- (1) The peanut policy allows insurance coverage based on the price(s) contained in a Sheller Contract(s), not to exceed 120 percent of the FCIC issued projected price. Such prices (after any applicable limit has been applied) will be used to determine the weighted average projected price, by type, for the policy. Each Sheller Contract must have a Peanut Sheller Warehouse code (AIPs must assure their agents have the most recent Peanut Sheller Warehouse Codes for properly coding acreage records by type and unit).
 - (2) The weighted average projected price is established on a type basis and applies to any insured unit containing that type.
 - (3) The election to use the weighted average projected price is effectively made when the insured provides a Sheller Contract (s) to the AIP and reports the required sheller contract information on the acreage report. When the weighted average projected price is elected:
 - (a) the insured must report the contracted pounds and contract price associated with each contract, by type, for each applicable unit(s);
 - (b) record the contract price(s) on the acreage report, by the applicable unit(s) and type(s), corresponding to the Peanut Sheller Warehouse Code;
 - (c) such information is required to report and calculate the liability using the weighted average projected price for the insured peanut type; and
 - (d) if conditions occur within the unit that requires additional records (such as late planting, PP, P/T, or share), report the total guarantee and liability/premium record. [See Appendix III.]
 - (4) If the insured does not qualify or does not elect to use the weighted average projected price, the projected price issued by RMA will apply to the insured peanut crop.

24 GSH, Exhibit 1B, Definitions

The following definitions are specific to the PT Crop Insurance Program and revise the applicable definitions contained in the GSH.

Commodity Exchange Price Provisions - (CEPP-PEANUTS) – means in lieu of the definition in the Basic Provisions, a part of the policy that is used for peanuts for which revenue protection is available, regardless of whether the insured elects revenue protection or yield protection for the insured peanut crop. This document includes the information necessary to derive the projected price and the harvest price for the insured crop, as applicable.

Harvest price – means in lieu of the definition in the Basic Provisions, the price for each insurable type of peanuts determined in accordance with the CEPP-PEANUTS and used to value production to count for revenue protection. The harvest price will be used for the insured crop unless the insured elects the weighted average projected price. If the insured elects to use the weighted average projected price, the harvest price will be the sum of the harvest price determined in accordance with the CEPP-PEANUTS and the difference between the CEPP projected price and the weighted average projected price.

Example:

CEPP projected price = \$0.20/lb.

Weighted average projected price = \$0.21/lb.

Price difference = \$0.01/lb. (\$0.21 - \$0.20)

CEPP harvest price = \$0.22/lb.

Harvest price = \$0.23/lb. (\$0.22 + \$0.01)

Projected price – means in lieu of the definition in the Basic Provisions, the price for each insurable type of peanuts determined in accordance with the CEPP-PEANUTS. The projected price will be used for the insured crop regardless of whether the insured elects to obtain revenue protection or yield protection for such crop, unless the insured elects the weighted average projected price.

Revenue protection guarantee (per acre) – means in lieu of the definition in the Basic Provisions, for revenue protection only, the amount determined by multiplying the production guarantee (per acre) by the greater of your:

- (a) Applicable projected price or weighted average projected price; or
- (b) Harvest price.

If the harvest price exclusion is elected, the production guarantee (per acre) is only multiplied by the applicable projected price or weighted average projected price.

Weighted average projected price – means the weighted average price applicable for each insurable type of peanuts:

- *** (a) Grown for sale under a sheller contract;
- (b) That is elected by the insured; and
- (c) Determined as provided in section 3(c) of the Crop Provisions).

Yield Protection Guarantee (per acre) – means in lieu of the definition in the Basic Provisions, when yield protection is selected for a crop that has revenue protection available, means the amount determined by multiplying the production guarantee by the insured's projected price or weighted average projected price, as applicable.

25 GSH, Exhibit 8, Crop Policy Information

Add the following information for PT to the crop policy information table, Exhibit 8, for crops insurable under the YP, RP, and RPHPE plans of insurance. The PT entries are not applicable under the Crop Policy Information table for APH Crops and are removed.

CROP POLICY INFORMATION								
YP, RP, RPHPE CROPS	FCIC		¹² CROP CATEGORY, APH YIELD TOLERANCE	LP/PP	¹³ REPLANT	UNIT OF MEASURE	¹⁴ UNIT(S): BASIC (B) OPTIONAL (O) ENTERPRISE (E) WHOLE FARM (W)	¹⁵ HIGH-RISK LAND EX. OPT.
	POLICY	CROP PROVISIONS						
Peanuts	¹⁷ BR	¹⁸ PT-075	B 5%	LP/PP	Yes	lbs.	O/B/E	Yes

¹²Tolerance for APH field reviews.

¹³Applies to additional coverage only.

¹⁴BU, OU, and EU are available unless limited by the SP. WU(s) are not allowed in the CP.

¹⁵Requires insured's signature, refer to actuarial documents.

26-30 (Reserved)