United States
Department of
Agriculture

Federal Crop
Insurance
Corporation

Product
Administration and
Standards
Division

PREVENTED PLANTING LOSS ADJUSTMENT STANDARDS HANDBOOK

2012 and Succeeding Crop Years

FCIC-25370 (11-2010)
FCIC-25370-1 (08-2011)

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250

FEDERAL CROP INSURANCE HANDBOOK		NUMBER: 25370 (11-2010) 25730-1 (08-2011)
PREVENTED PLANTING (PP) LOSS ADJUSTMENT STANDARDS HANDBOOK 2012 AND SUCCEEDING CROP YEARS	OPI: Product Administration and Standards Division	
	APPROVED: /S/ Tim B Witt Deputy Administrator, Product Management	DATE: August 26, 2011

THIS HANDBOOK CONTAINS THE OFFICIAL FCIC-ISSUED LOSS ADJUSTMENT STANDARDS FOR PREVENTED PLANTING (PP) FOR THE 2012 AND SUCCEEDING CROP YEARS. ALL REINSURED COMPANIES WILL UTILIZE THESE STANDARDS FOR BOTH LOSS ADJUSTMENT AND LOSS TRAINING.

SUMMARY OF CHANGES/CONTROL CHART

The following list contains significant changes to this handbook, as determined by us. It may not represent all changes made. All changes made to this handbook are applicable regardless of whether or not listed.

Major Changes: See changes or additions in text which have been highlighted. Three stars (***) identify where information has been removed.

Changes for August 2011 Issuance (FCIC-25370-1) for the 2012 and succeeding crop years:

A. **Section 2 C (2)** – Corrected "National" to "Natural" in the abbreviation for NRCS.

B. **Section 4 B** – Removed at the bottom of page 6, the illustration.

C. **Section 4 B (3) 4** – Added the following sentences at the end of the paragraph: "Lack of irrigation water, in and of itself, is not an insurable cause of loss. There must be an underlying insurable cause that causes the lack of irrigation water."

D. **Section 4 C (3) (a) 1 a (i)** - Added "The insured must provide verifiable documentation acceptable to the AIP that . . ."

E. **Section 4 C (3) (a) 1 a (ii)** – Added "The insured must provide verifiable documentation acceptable to the AIP. . ."

F. **Section 4 C (3) (a) 1 a (iii)** – Added "The acreage prevented from planting is . . ."

G. **Section 4 C (3) (a) 1 c** – Revised to state "The AIP must be able to verify that:"

SUMMARY OF CHANGES/CONTROL CHART (Continued)

H. **Section 4 C (3) (a) 1 d** – Revised the first sentence to state "Each of the items in (3) (a) 1 above. . " and deleted: (1) In the last paragraph "all must be provided" since all items may not be able to be verified; and (2) The last sentence since it is redundant to what has previously been stated in the subparagraph.

I. **Section 4 C (3) (a) 1 e –** Added subparagraph (e), which provides instructions for documentation to be retained in the insured's claim file.

J. **Section 4 C (3) (a) 2 c (i)** – Deleted the last sentence since it is stated in section 4 B, and added the primary reason for referring to section 4 B.

K. **Section 4 C (4):** Added language that allows PP payments if, due to insured causes, a field that is otherwise able to be planted, is inaccessible, provided all other PP requirements have been met.

L. **Section 4 E –** Added Hybrid Sorghum Seed to the table and added footnote explaining that for revenue protection, revenue protection with the Harvest Price Exclusion, and yield protection plans of insurance, the prevented planting guarantee is based on the projected price.

M. **Section 4 F (1) (c) –** Added "unless otherwise specified in the SP."

N. **Section 4 F (1) (d) 1 c** – Added "(unless an approved WA that is in effect excludes preventing planting coverage)."

O. **Section 4 F (1) (d) 3 a** – Corrected "what" to "wheat."

P. **Section 4 F (3) B (1) (c), pages 22 and 23** – Added at the end of sentence "(e.g., CRP acreage can be factored up the first crop year it is released but no the following crop years)".

Q **Section 4 F (3) B (1) (e), pages 22 and 23** – Added "The insured has an approved written agreement to insure acreage that was previously uninsurable."

R. **Section 4 F (3), page 22** – Added clarification that existing pasture or forage in an insured's farming operation cannot be used to increase eligible acres when the insured destroys such acreage in preparation for planting.

S. **Section 4 F (3) C, page 22** – Corrected wording in item C.

T. **Section 4 F (3) B (2) and D (2), page 23** – Added this subparagraph to state: "No cause of loss has occurred at the time the insured acquires the acreage that may prevent planting (except acreage the insured leased the previous year and continues to lease in the current crop year."

U. **Section 4 F (3) D page 23 -** Added clarification that existing pasture or forage in an insured's farming operation cannot be used to increase eligible acres when the insured destroys such acreage in preparation for planting.

SUMMARY OF CHANGES/CONTROL CHART (Continued)

V. **Section 4 F (11) (a) 1** – Revised to reference policy provisions and section 11 E for additional details and examples of using other types and/or crops to base the PP payment for the crop claimed as PP when that crop has no more remaining eligible PP acres to pay the PP payment.

W. **Section 4 G 10** – Added: "The insured must have irrigated within the same crop year, the crop claimed as PP irrigated practice and any insured crop from which remaining irrigated acres are used to make the PP payment." Also, deleted example and referred reader to section 11 E for examples.

X. **Section** 4 **G (11) (b)** - Added clarification for using remaining acres of another type of the same crop when the crop type claimed for PP does not have enough eligible acres to pay the PP claim. Also, clarified what PP payment from the crop with multiple types is used to compare the PP payment of another crop closest to the crop claimed as PP when another crop's remaining acres must be used to make the PP payment.

Y. **Section 4 H (5)** – Added clarification from Informational Memorandum, PM-11-025 in regards to whether a PP payment is allowed when the insured was unable to terminate the wheat before it headed due to an insured cause of loss.

Z. **Section 5 A (1) (c) 1** – Added clarification that a cover crop can be the crop prevented from planting provided it was planted at a seeding rate recommended by agricultural experts and was not planted for harvest as grain. Also, provided what would happen if the crop was hayed, grazed, or otherwise harvested.

AA. **Section 5 C (3)** – Revised to agree with MGR. 11-003 in regards to production from double cropped acreage that was not kept separate from non-double cropped acreage.

BB. **Section 5 C (5), Example 5** – Revised to clarify example.

CC. **Section 10 E (3) (d)** – Added this subparagraph for instructions to document the crop with remaining eligible acres and closest PP payment to the crop claimed as PP that was used, and which crop was used to pay the PP claim.

DD. **Section 11 D (3)** – Corrected example 3.

EE. **Section 11 E (4)** – Changed (1) (e) to (2).

FF. **Section 11 E (3)** – Added information regarding when the insured has multiple types and the insured claims more acres for the type than the insured has remaining eligible acres.

GG. **Section 11 E (4)** - Added information regarding when the insured has irrigated and non-irrigated acreage in his/her APH databases and there are more irrigated acres claimed for the crop claimed as PP than the insured has history in his/her APH databases for the crop.

SUMMARY OF CHANGES/CONTROL CHART (Continued)

HH. **Section 11 E (5)** – Clarified that a PP payment cannot be made using remaining eligible acres of a practice for which the insured would not qualify. Also provided examples.

II. **Section 11 E (10) (b) -** Revised Example 2 to explain the steps in rolling to multiple types with remaining acres for the crop claimed as PP and to other crops when the insured has claimed more acres for a type than the insured has eligible PP acres for the type.

JJ. **Section 11 E (10) (f)** – Added example of steps to be taken when the insured claims more irrigated acres than the insured is eligible and the crop has both irrigated and non-irrigated practices with remaining eligible acres and another crop's remaining acres must be used to pay the PP claim.

KK. **Section 11 E (1) (g)** – Added example of steps to be taken when the insured only has an irrigated practice for the crop claimed as PP and another crops remaining acres must be used to pay the PP claim.

SUMMARY OF CHANGES/CONTROL CHART (Continued)

Control Chart For: Prevented Planting Loss Adjustment Standards Handbook						
	SC Page(s)	TC Page(s)	Text Page(s)	Reference Material	Date	Directive Number
Remove	1-2				03-2011	FCIC-25370-1
			1-2		11-2010	FCIC-25370
			5-12		11-2010	FCIC-25370
			13-14		03-2011	FCIC-25370-1
			17-24		11-2010	FCIC-25370
			27-28		11-2010	FCIC-25370
			31-34		11-2010	FCIC-25370
			37-38		11-2010	FCIC-25370
			41-44		11-2010	FCIC-25370
			61-62		11-2010	FCIC-25370
			75-82		11-2010	FCIC-25370
Insert	1-6		1-2		08-2011	FCIC-25370-1
			5-14		08-2011	FCIC-25370-1
			17-24		08-2011	FCIC-25370-1
			27-28		08-2011	FCIC-25370-1
			31-34.2		08-2011	FCIC-25370-1
			37-38		08-2011	FCIC-25370-1
			41-44		08-2011	FCIC-25370-1
			61-62		07-2011	FCIC-25370-1
			75-82.2		07-2011	FCIC-25370-1
Current	1-6				08-2011	FCIC-25370-1
Index		1-2			11-2010	FCIC-25370
			1-2		08-2011	FCIC-25370-1
			3-4		11-2010	FCIC-25370
			5-14		08-2011	FCIC-25370-1
			15-16		11-2010	FCIC-25370
			17-24		08-2011	FCIC-25010-1
			25-26		11-2010	FCIC-25370
			27-28		08-2011	FCIC-25370-1
			29-30		11-2010	FCIC-25370
			31-34.2		08-2011	FCIC-25370-1
			35-36		11-2010	FCIC-25370
			37-38		08-2011	FCIC-25370-1
			39-40		11-2010	FCIC-25370
			41-44		08-2011	FCIC-25370-1
			45-60		11-2010	FCIC-25370
			61-62		08-2011	FCIC-25370-1
			63-74		11-2010	FCIC-25370
			75-82.2		08-2011	FCIC-25370-1
			83-84	85-129	11-2010	FCIC-25370

SUMMARY OF CHANGES/CONTROL CHART (Continued)

(RESERVED)

1. INTRODUCTION

THIS HANDBOOK MUST BE USED IN CONJUNCTION WITH THE LOSS ADJUSTMENT MANUAL (LAM) STANDARDS HANDBOOK, FCIC-25010.

The FCIC-issued loss adjustment standards for prevented planting are the official standard requirements for adjusting Multiple Peril Crop Insurance (MPCI) prevented planting losses in a uniform and timely manner. The FCIC-issued standards for prevented planting and crop year are in effect as of the signature date for this handbook at www.rma.usda.gov/handbooks/25000/index.html. All reinsured companies will utilize these standards for both loss adjustment and loss training for the applicable crop year. These standards, which include PP claims completion instructions, supplement the general (not crop-specific) loss adjustment standards identified in the LAM.

2. SPECIAL INSTRUCTIONS

A. LIFE OF HANDBOOK

This handbook remains in effect until superseded by re-issuance of **either** the entire handbook **or** selected portions (through slipsheets or bulletins). If slipsheets have been issued for a handbook, the original handbook as amended by slipsheet pages shall constitute the handbook. A bulletin can supersede either the original handbook or subsequent slipsheets.

B. DISTRIBUTION

(1) The following is the minimum distribution of forms completed by the adjuster and signed by the insured (or insured's authorized representative) for the loss adjustment inspection:

(a) One legible copy to the insured.

(b) The original and all remaining copies as instructed by the Approved Insurance Provider (AIP).

(2) It is the AIPs' responsibility to maintain original insurance documents relative to policyholder servicing as designated in their approved plan of operations.

C. TERMS, ABBREVIATIONS, AND DEFINITIONS

(1) Terms, abbreviations, and definitions **general** (not crop specific) to loss adjustment are identified in the LAM.

(2) Terms, abbreviations, and definitions **specific** to loss adjustment of PP claims and this handbook, which are not defined in this section, are defined as they appear in the text.

(a) Abbreviations/Acronyms

BP	Basic Provisions

CES	Cooperative Extension Service
CP	Crop Provisions
DC	Double cropped or double cropping. Producing two or more crops for harvest on the same acreage in the same crop year.
FAC	Following another crop in the same crop year. For some crops/counties, this is a practice shown on the actuarial documents separate from NFAC.
FPD	Final Planting Date
LPP	Late Planting Period
NFAC	Not following another crop. For some states/counties/crops, this is a practice shown on the actuarial documents that has a separate rating from FAC.
NRCS	Natural Resources Conservation Service
NWS	National Weather Service
PP	Prevented Planting
SCD	Sales Closing Date
SP	Special Provisions
WA	Written Agreement
WAP	Weighted Average Price

(b) Definitions

Area: Land surrounding the insured acreage with geographic characteristics, topography, soil type and climatic conditions similar to the insured acreage.

Cropland: For insurance purposes, cropland is only land that is available for planting. (Refer to section 4 F (1) (b) of this handbook.)

Intended Acreage Report: A report of the acreage the insured intends to plant, by crop, for the current crop year and used solely for the purpose of establishing eligible prevented planting acreage, as required in Section 17 of the BP.

Prevented Planting: Failure to plant the insured crop by the FPD designated in the SP for the insured crop in the county, or within any applicable LPP, due to an insured cause of loss that is general to the surrounding area and that prevents other producers from planting acreage with similar characteristics. Failure to plant because of

D. ACREAGE SOLD BUT INSURED RETAINS RIGHT TO PP PAYMENT

Unlike the situation where a Transfer of Right to an Indemnity is applicable because ownership of the land or crop has changed during the crop year, the insured may occasionally retain the right to produce a crop on the acreage after the acreage has been sold (e.g., to a developer). In this case, the insured is eligible for a PP payment when the acreage is sold prior to the latest FPD and the insured still retains the right to produce a crop on the acreage, PROVIDED the insured:

(1) Can provide the AIP with a copy of the written sales contract for the acreage showing a provision allowing the insured to retain possession of the acreage until harvest of the insured crop was completed;

(2) Was prevented from planting the insured crop claimed as PP; and

(3) Meets all other criteria for a PP payment. If the acreage was sold (e.g., to a developer) after the latest FPD for the insured crop, the insured is eligible for a PP payment, PROVIDED the insured provides the AIP a copy of the written sales contract showing the sale of the acreage was after the latest FPD for the insured crop and the insured meets all other criteria for a PP payment.

4. PP COVERAGE AND ELIGIBLE ACREAGE

A. ELIGIBLE CROPS

PP coverage is applicable to the following crops:			
Barley	Flax	Onions	Safflowers
Buckwheat	Grain Sorghum	Peanuts	Silage Sorghum
Canola/Rapeseed	Green Peas	Popcorn	Soybeans
Corn	Hybrid Seed Corn	Potatoes, Central and Southern	Sugar Beets 1/
Cotton	Hybrid Sorghum Seed	Potatoes, Northern	Sweet Corn, Processing
Cottonseed			
ELS Cotton	Millet	Processing Beans	Sunflower Seed
Dry Beans	Mustard	Rice	Tobacco
Dry Peas	Oats	Rye	Wheat
1/ PP is not available in California counties with an April 30 Contract Change Date and a July 15 Cancellation Date.			

B. INSURANCE PERIOD

(1) The insurance period begins:

(a) **For First Year Crop Coverage**: on the sales closing date (SCD) for the insured crop in the county for the crop year the producer's application is accepted. New policyholders are eligible for PP payments if the insured cause of loss occurred on or after the SCD for the current crop year and all other requirements for PP have been met.

EXAMPLE: The corn SCD is March 15, 2012, for the 2012 crop year. The insured takes out a corn application for the 2012 crop year on March 1, 2012. An insured cause of loss (excess precipitation) occurs on or after March 15, 2012, and prevents the insured from planting corn by the final planting date (FPD). The insured could be eligible for a PP guarantee for the 2012 crop year since an insurable cause of loss occurred during the PP insurance period. An insurable cause of loss occurring prior to March 15, 2012, would be outside the PP insurance period.

(b) **For Continuous Crop Coverage (not terminated or canceled for a crop year), also known as carryover insureds or policyholders**: on the SCD for the insured crop in the county for the prior crop year. Carryover policyholders are eligible for PP payments if the insured cause of loss occurred after the SCD for the previous crop year, and all other requirements for PP have been met. Transfer of Coverage (cancellation/re-write) to a different AIP or a different plan of insurance (e.g., from yield protection to revenue coverage) is still considered continuous coverage.

EXAMPLE: The corn SCD is March 15, 2012 for the 2012 crop year. An insured cause of loss (failure of the insured's irrigation water supply) occurs on or after March 15, 2011, and prevents the insured from planting part of his/her 2012 crop. The insured could be eligible for a PP guarantee for the 2012 crop year.

(2) The insurance period ends for PP acreage the earlier of the calendar date for the end of the insurance period for the PP crop or the date the claim is finalized for the PP crop acreage.

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(3) The following is applicable when an insured peril occurs in the prior crop year and continues to occur within the insurance period for the current crop year.

(a) **Drought reduces irrigation water supply and normal weather conditions will recharge some or all of the irrigation water supply.** When information is verified from local irrigation authorities responsible for water allocations, State Departments of Water Resources, the U.S. Bureau of Reclamation, the U.S. Army Corp of Engineers, CES, the NRCS or other sources responsible for collection of water data or regulation of water resources (water allocations) that indicate expected water allocations if average snow-pack/precipitation occurs during the PP insurance period, PP coverage will be provided as follows:

1 When available information indicates average snow-pack/precipitation occurring within the PP insurance period for the current year would provide sufficient water to produce a crop on all insurable acreage, PP coverage will be provided for all acreage that is prevented from planting.

EXAMPLE 1: A producer normally irrigates 100 acres in his/her farming operation in the county. All acreage that the insured irrigates is insured acreage. In 2011, the insured is prevented from planting 60 acres due to drought. As determined by the irrigation authorities, average snow-pack/precipitation expected during the insurance period for the 2012 crop year (begins March 15, 2011) should result in sufficient water allocation to allow production on 100 acres in 2012. However, a drought continues into the 2012 crop year (average precipitation is not received during the insurance period), and the actual water allocation is sufficient for only 40 acres. In this case, since drought occurring during the insurance period caused failure of the irrigation water supply for 60 acres, those acres would again be eligible for a PP payment.

2 If there is enough expected water to recharge the irrigation water the insured historically receives but due to an insured cause that occurred during the PP insurance period, the irrigation water supply is not recharged, the insured has the right to apply the irrigation water received to uninsured crops and claim PP on the portion of insured acreage for which the insured did not have enough irrigation water to irrigate, provided all other PP requirements are met for such acreage.

3 A producer's decision to change cropping patterns and using the same amount of water available as in previous years or to plant crops with greater water use requirements does not constitute an insurable cause of loss. If the amount of available water is reduced due to insured causes, a PP payment can be paid only on the amount of acreage associated with the amount of water lost due to insured causes.

4 When irrigation authorities indicate that average snow-pack/precipitation within the PP insurance period for the current year would result in a water allocation allowing production on only a portion of the acreage previously planted, only the portion of the loss attributable to insured perils occurring within the insurance period will be covered. Lack of irrigation water, in and of itself, is not an insurable cause of loss. There must be an underlying insurable cause that causes the lack of irrigation water.

EXAMPLE 1: A producer normally irrigates 100 acres of insured crops and no uninsured crops. In 2011 the insured is prevented from planting 100 acres. As determined by the irrigation authorities, average snow-pack/precipitation expected during the insurance period for the 2012 crop year would provide enough water to produce a crop on 60 acres. In this case, a PP payment for 2012 can be made only if the irrigation water supply is reduced to the extent that a crop can be produced on less than 60 acres. If the water supply is reduced so that only 35 acres can be irrigated, then 25 acres would be eligible for a PP payment.

EXAMPLE 2: Same scenario, except 25 acres of the 100 acres the insured historically irrigates, is for crops uninsured or uninsurable; i.e., the insured normally irrigates only 75 acres of the insured crop. The insured has the right to put the irrigation water on the 25 acres of the uninsured or uninsurable crop acreage. If the water supply is reduced so that only 35 acres can be irrigated, then 25 acres would be eligible for a PP payment (60 acres minus 35 acres = 25), even if the water was applied to 25 acres of uninsured or uninsurable acres.

5 The burden is on the producer to prove that average snow-pack/precipitation would allow production on all the intended acreage for the current crop year. When information indicating how much acreage could be planted if average snow-pack/precipitation would have occurred within the insurance period is not available, PP payments will be limited based on the number of acres prevented from being planted due to causes occurring prior to the current year's PP insurance period.

EXAMPLE: A producer normally produces a crop on 100 acres and irrigates from a well. In 2011, the irrigation water supply is reduced and the producer is prevented from planting 60 acres (failure occurs prior to the beginning of the insurance period for 2012). Information indicating the number of acres that could be irrigated if average weather conditions occurred after the beginning of the insurance period for the 2012 crop year is not available. A drought continues from the prior insurance period into the insurance period for the current crop year, and the producer is prevented from planting 75 acres. In this case, a PP payment can be made only for the number of PP acres in excess of 60, which is 15 acres.

(b) **How to handle when the same cause of loss from previous PP insurance period, even with normal weather within current PP insurance period, continues to prevent planting**.

When available information indicates that the effects of drought, excess moisture, or flooding occurring prior to the insurance period for the current crop year are such that normal weather conditions within the insurance period would still not allow crop production (e.g., the land became part of a marsh or lake), the loss would be attributable to events occurring outside the insurance period for the current year and no PP payment could be made on such acreage. Refer to section 4 C (3) (c) and (d) for examples of some insured causes of loss, but not limited to, that could occur in a covered PP insurance period and how these same causes of loss could continue to prevent planting in subsequent crop years.

C. CRITERIA FOR PP PAYMENTS

(1) Unless limited by other policy provisions, an insured may be eligible for a PP payment **IF**:

(a) The insured is prevented from planting the insured crop on insurable acreage with proper equipment by the FPD[1/] (designated in the Special Provisions for the insured crop in the county) or within the LPP (wheat and barley under the terms of the Winter Coverage Endorsement and ELS cotton do not have an LPP);

(b) A cause of loss is general in the surrounding area and prevents other producers from planting acreage with similar characteristics. Failure to plant because of uninsured causes such as lack of proper equipment or not enough labor to plant acreage or use of a particular production method, is not considered prevented planting;

[1/] When there is more than one FPD in the county for barley, oats, or wheat, the applicable FPD, is the latest FPD.

1 Acreage with Similar Characteristics

Acreage with similar characteristic includes land with comparable geography, topography, soil types, and the same weather conditions and exposure. Ownership of the acreage or whether it is insured is not to be considered when determining whether acreage has similar characteristics.

2 Determining Area or Surrounding Area

Refer to definition of Area (section 2 C (2) (b)). When determining "area" or "surrounding area," the first step is to define the area by the cause of loss. For example, all acreage that has been affected by a flood or drought would be included. Once this acreage is determined, acreage with similar characteristic would be compared to determine whether other producers are prevented from planting.

3 For crop policies requiring processor contracts, insureds may qualify for a PP payment when a processor has control of seed, planting, and harvest equipment; and the processor cannot plant the acreage before the FPD or during the LPP due to an insured cause of loss, provided:

a The insured has an insurable interest in the crop,

b The contractor has not over-contracted the total number of acres (contemplating "normal" planting delays, etc.), and

c All other PP provisions have been met. In order for this situation to be considered an insured cause of loss, processors are not expected to modify contract-specified planting/harvesting dates to return and plant the insured's acreage that was initially passed over for planting.

(c) The insured cause that prevented planting occurred during the PP insurance period. Refer to section 4 B above for PP insurance period. Conditions can vary significantly between farms, geographic areas, irrigation districts, etc. AIPs must make loss determinations based on each producer's circumstances and in accordance with the policy and procedural guidelines;

(d) The insured includes on his/her acreage report any insurable acreage of the insured crop that was prevented from being planted (also refer to section 7, Acreage Reporting); and

(e) The insured did not plant the insured crop claimed as PP during or after that crop's LPP (if a LPP is applicable). Acreage prevented from planting by the FPD but is subsequently planted to the insured crop during or after the LPP is covered under the late planting provisions, with the exception of tobacco.

(2) Factors such as existence of insurance, level of insurance coverage, or the financial position of the producer should not be considered when evaluating whether a producer was prevented from planting.

(3) Prevented planting coverage will be provided for:

(a) Drought, failure of the irrigation water supply, failure or breakdown of irrigation equipment or facilities, or the inability to prepare the land for irrigation using the insured's established irrigation method, due to an insured cause of loss only if, on the FPD (or within the LPP if the insured elected to try to plant the crop), the insured provides verifiable documentation acceptable to the AIP. Adjusters and AIPs are to consider the following when determining whether insureds qualify for a PP payment for the aforementioned causes of loss.

1 For non-irrigated acreage:

a To qualify for PP due to drought:

(i) The insured must provide verifiable documentation acceptable to the AIP that the area that is prevented from being planted has insufficient soil moisture for germination of seed OR progress toward crop maturity due to a prolonged period of dry weather.

i **In regards to the phrase, "insufficient soil moisture for germination of seed or progress toward crop maturity** there rarely is enough soil moisture at the time a crop is planted to carry the crop to full maturity. Normally, a non-irrigated crop depends on expected seasonal rains throughout the growing season to mature. "**Insufficient soil moisture for progress toward maturity" means the crop may germinate but there is insufficient moisture to sustain the germinated plants.**

ii The amount of rainfall needed to permit sufficient soil moisture to allow germination and crop production is determined by experts based on the crop, area in which it is grown, and other relevant factors. Once that amount is known, the NWS data in the area can be used to determine whether there was adequate rainfall to provide sufficient soil moisture.

(ii) The insured must provide verifiable documentation acceptable to the AIP of a prolonged period of dry weather that is general in the area; and

(iii) The acreage prevented from planting is located in an area where other producers with acreage with similar characteristics are also prevented from planting their crop and this can be verified by the AIP. However, other growers may anticipate a return of average precipitation and still plant while other growers may not. When both cases are considered to be good farming practices, RMA recognizes both planted and prevented planting acreage may exist in the same area.

b The documentation for a prolonged period of dry weather must be verifiable using information collected by sources whose business it is to record and study the weather, including but not limited to local weather reporting stations of the National Weather Service (NWS).

(i) Examples of other entities that can be used:

- Any university that records and studies the weather
- Local weather forecasters' reports PROVIDED AIPs obtain the source data of such reports.

(ii) Examples of some (but not all) sources that **cannot** be used because they are not from sources who are in the business of recording and studying weather, are:

- Farm records
- Written opinions from Cooperative Extension Service
- Soil moisture indices
- Newspaper reports

(iii) The U.S. Drought Monitor may be used to show severe drought or worse (D2, D3, or D4) on the FPD or during the LPP for the area, **but cannot be used alone**. Before it can be used, the AIP must verify that the insured acreage experienced the same drought conditions or level of rainfall.

c The AIP must be able to verify that:

(i) Other producers with acreage with similar characteristics are also prevented from planting their crop. Such verification could include (but is not limited to) the following:

i Maps identifying the location of others in the area with acreage of similar characteristics that were prevented from planting;

ii Soil conservation maps identifying soil types;

iii Statements from other producers describing soil types on which they were prevented from planting; and

iv Ag expert statements detailing similar soil types between the insured's fields and other producers who have been prevented from planting;

(ii) Data showing prolonged precipitation deficiencies for the area in which the crop is grown from one or more of the sources stated in (a) 1 b above and herein;

(iii) Documentation (i.e., published material or written opinions) from agricultural experts for the insured PP crop stating the amount of soil moisture needed to germinate seed or for progress toward maturity (as defined in (a) 1 above) is not available. Agricultural experts must be disinterested third parties to the insured. This written opinion must be based on the crop, area in which the crop is grown, soil type in which the crop is grown, and other relevant factors. Refer to the definition of agricultural expert in the LAM or BP. (The name or copy of a published material (or if applicable, the written opinion from the agricultural expert) must be retained in the insured's claim file).

(iv) Information showing insufficient moisture conditions existed on the FPD or within the LPP, regardless of whether rain subsequently falls or is expected to fall. To eliminate any questions about the soil moisture content of the acreage in question, the insured may submit a written soil moisture profile/report of the acreages in question from a disinterested third party that is knowledgeable in determining soil moisture (retain in the insured's claim file).

*** d Each of the items in (3) (a) 1 above must be proven separately i.e., an NRCS drought advisory alone does not provide the documentation that the crop would not have germinated and progressed the crop to maturity, UNLESS the advisory also specifically states that the soil is too dry for the germination or production of the crop. Likewise, documentation of inadequate rainfall for the area by itself does not indicate the crop would not germinate or progress to maturity. ***

e Documentation to be retained in the insured's claim file: (1) The insured's documentation, as required in (1) a above; and (2) Documentation of the materials the AIP used to make the above verifications and/or retention of the materials/data used to make the verifications.

2 For irrigated acreage, if due to an insured cause of loss:

a The insured is unable to prepare the land for irrigation using the insured's established irrigation method.

(i) The insured must provide documentation of his/her established irrigation method.

(ii) The adjuster must be able to verify the insured's established irrigation method and the cause of loss claimed by the insured was the sole reason the irrigation method could not be established. Consult with the local NRCS and other similar sources knowledgeable in furrow type irrigation operations to help make these determinations. The documentation must be maintained in the insured's claim file;

(iii) The entry for "Cause of Damage" on the claim form is "Inability to prepare the land for irrigation" (code 15). Refer to Exhibit 3 of the LAM. Document the information in the Narrative of the claim form or on a Special Report as explained in paragraph 40 N (3) of the LAM.

b The irrigation equipment or facilities fail or break down, provided the insured made all reasonable efforts to restore the equipment or facilities to proper working order within a reasonable amount of time after an insured peril caused the equipment or facilities to be inoperable, unless the AIP determines it is not practical to do so.

(i) Cost will not be considered when determining whether it is practical to restore the equipment or facilities.

(ii) The adjuster must be able to verify the insured cause of loss was the sole reason the irrigation equipment failed or broke down. The adjuster must document the date and if applicable, the time the insured cause occurred and any other pertinent information. The documentation must be retained in the insured's claim file;

c There is failure of the irrigation water supply; i.e., there is not a reasonable expectation of having adequate water to carry out an irrigated practice. Adjusters and AIPs are to consider the following to determine whether there is a failure of irrigation water supply due to an insured cause of loss occurring during the PP insurance period.

(i) The insured cause that reduces the amount of irrigation water available MUST occur within the insurance period for prevented planting. Refer to section 4 B for differences between the insurance period for first year coverage (new policyholders) and continuous crop coverage (carryover policyholders).

(ii) A continued drought from one calendar year to the next generally has major components of insurable causes of loss occurring

*** during the PP insurance period for the current crop year.

(iii) Use the Irrigated Practice Guidelines in Exhibit 1 of section 13, along with the following information, to verify the insured qualifies for an irrigated practice, other than not having enough adequate water to irrigate the acres turned in as PP, and that the insured qualifies for the number of acres the insured could have irrigated had it not been for failure of the irrigation water supply; i.e., the insured has adequate facilities and equipment to irrigate the number of acres reported as irrigated (both prevented from planting and planted).

(iv) The following contains additional information that must be considered when determining whether failure of the irrigation

EXAMPLE: Flooding occurred in February of 2012 leaving anywhere from 6-24 inches of sand, silt, and other debris on the acreage. The acreage could not be reclaimed to the extent needed to plant the insured crop by the FPD for the 2012 CY. The PP insurance period for the 2012 CY for carryover insureds began on the SCD for the 2011 CY. The PP insurance period for the 2012 CY for new insureds began on the SCD for the 2012 CY.

Carryover insureds would have PP coverage for the 2012 CY because the event (flooding) occurred within the carryover insured's PP insurance period. However, new insureds would not have PP coverage for the 2012 CY because the event (flooding) happened prior to their PP insurance period (i.e., prior to the SCD for the 2012 CY).

If the sand, silt, and debris still had not been cleaned up to the extent the acreage could be planted for the 2013 and subsequent crop years, this would not be a covered cause of loss for new or carryover insureds.

(e) Any other insured cause of loss not listed above but that is listed in the crop provisions for the insured crop, provided the cause occurred during the PP insurance period and the cause prevented the insured from planting the insured crop. However, for causes of loss other than drought, failure of the irrigation water supply, failure or breakdown of the irrigation equipment or facilities or inability to prepare the land using established irrigation methods, if it is possible for the insured to have planted on or prior to the FPD when other producers in the area were planting and the insured failed to plant, no prevented planting payment will be made.

(4) Prevented planting payments can be made if, due to an insured cause of loss, there was NO way to access roads to a field that meets the requirements for "available for planting" as discussed in Section F (1) (a) and (b), and that otherwise could be planted, provided all other PP requirements are made. For example, the roads have been washed out or the road(s) are flooded to the extent road(s) could not safely be accessed before the final planting date or late planting period, if applicable. However, if there is ANY way into the field, even if it means the producer has to drive out of the way to reach the acreage, then the producer would be expected to do so if the field was dry enough to plant. Prevented planting payments would not be made if there were any accessible roads to the acreage. Producers, however, are not expected to go to extreme measures like airlifting equipment into a field. These types of cases are expected to be very limited.

(5) The insured must timely submit a notice of PP to the AIP. Refer to Section 3 B for detailed information.

(6) The acreage of the insured crop that was prevented from being planted must be listed on a timely submitted acreage report to be eligible for a PP payment. (Refer to section 7.)

(a) Insureds are not required to plant the insured crop during the LPP even if they could have planted during the LPP.

(b) When acreage, due to an insurable cause of loss occurring within the insurance period for PP coverage, was prevented from being planted to the insured crop by the FPD (or during the LPP, if applicable) is subsequently planted to the insured crop AFTER the LPP (or after the FPD for crops that do not have a LPP), the insured has the choice of insuring or not insuring such acreage. The insured must report such acreage as insured or uninsured (as they have chosen) and the date such acreage is planted, along with any other items required for reporting acreage. If the insured decides to insure such acreage, coverage is provided under the LP provisions and the per-acre production guarantee or per-acre amount of insurance for such acreage will be the same as the insured's PP guarantee for the insured crop.

EXAMPLE: The insured has 60 percent PP coverage level with a 100 bu. per-acre guarantee for timely planted acres. The guarantee for the LP acres will be 60 bu. (.60 X 100.0).

(7) There must be enough eligible PP acreage (after deducting planted acreage) to cover the unplanted acreage. (Refer to subsection 4 F and G.)

(8) The amount of premium (gross premium less FCIC subsidy) that would be required to be paid by the insured for the PP acreage DOES NOT exceed the liability for such acreage. (Refer to section 6.)

(9) Refer to Section 4 G for acreage that is not eligible for PP coverage.

D. PP COVERAGE LEVEL PERCENTAGES

(1) The crop provisions contain the PP coverage level percentage that will automatically apply to the insured's crop policy, unless the insured has Additional Coverage and Additional PP Coverage levels are available and elected.

(2) Additional PP Coverage Levels

(a) If available for the crop, insured's with Additional Coverage may elect additional levels of PP coverage on or before the SCD. The additional levels of PP coverage also require additional premium. When additional PP coverage levels are available, they are contained on the actuarial documents for the crop and are indicated as PF (+5%) and PT (+10%).

(b) If the insured has a crop policy with CAT coverage, an additional level of PP coverage cannot be elected. For example, the insured has a corn policy with CAT coverage for his/her high-risk land in county A, and another corn policy in county A with additional coverage for non-high-risk land. The insured can only purchase additional PP coverage on the corn policy that has additional coverage.

(3) The insured cannot increase the elected or assigned PP coverage level percent for any crop year if a cause of loss that could prevent planting (even though it is not known whether such cause will actually prevent planting) has occurred during the PP insurance period and prior to the insured's request to change his/her PP coverage level.

E. PRODUCTION GUARANTEES

If acreage is prevented from planting to the following insured crop . . .	And the insured elected CAT COVERAGE then the guarantee is . . .	And the insured elected ADDITIONAL COVERAGE then the guarantee is . .
Barley[5/], buckwheat, corn[5/], canola/rapeseed[5/], dry beans, dry peas, flax, grain sorghum[5/], hybrid sorghum seed, millet, mustard, oats, popcorn, rye, safflowers, silage sorghum, soybeans[5/], sunflower seed[5/], or wheat[5/]	60 percent of the per-acre production guarantee for timely planted acres.	60, 65[1/], or 70[1/] percent of the per-acre production guarantee for timely planted acres.
Green peas, processing sweet corn, or processing beans	40 percent of the per-acre production guarantee for timely planted acres.	40, 45[1/], or 50[1/] percent of the per-acre production guarantee for timely planted acres.
Rice[5/] or sugar beets[3/, 4/]	45 percent of the per-acre production guarantee for timely planted acres.	45, 50[1/], or 55[1/] percent of the per-acre production guarantee for timely planted acres.
Onions [3/]	45 percent of the per-acre production guarantee for timely planted acres.	45 percent of the per-acre production guarantee for timely planted acres.
Cotton[2/5/], ELS cotton [2/], cottonseed[2/], hybrid seed corn, or peanuts	50 percent of the per-acre production guarantee for timely planted acres.	50, 55[1/], or 60[1/] percent of the per-acre production guarantee for timely planted acres.
Tobacco	35 percent of the per-acre production guarantee for timely planted acres.	35 percent of the per-acre production guarantee for timely planted acres.
Central and southern potatoes and northern potatoes	25 percent of the per-acre production guarantee for timely planted acres.	25, 30[1/], or 35[1/] percent of the per-acre production guarantee for timely planted acres.

[1/] **When additional coverage is elected, the insured can elect one of these higher PP coverages by the SCD provided there is no existing cause of loss that has occurred during the PP insurance period or (refer to section 4 D above for more details).**

[2/] **The production guarantee for non-irrigated cotton is based on the solid-planted approved APH yield. (For AUP cotton, ELS cotton, and cottonseed do not apply the skip-row Yield Conversion Factor.)**

[3/] **For onions and sugar beets, the percentage listed is multiplied times the final stage production guarantee.**

[4/] **PP is not available in California counties with an April 30 contract change date and a July 15 cancellation date.**

[5/] **For revenue protection, revenue protection with the Harvest Price Exclusion, and yield protection plans of insurance, the PP guarantee is based on the projected price.**

The PP guarantee for eligible double-cropped acreage is the same as for PP acreage that is not planted to any crop (e.g.; 60 percent for corn).

F. ELIGIBLE ACRES

(1) Acreage eligible for PP must:

(a) Be insurable.

(b) **Be available for planting**. Available for planting means land is free of trees, rocky outcroppings, or other factors that would prevent proper and timely preparation of the seedbed for planting and harvest of the crop for the crop year.

(c) **Acreage not considered available for planting includes**, but is not limited to, the following, unless specified otherwise in the SP:

1 Acreage enrolled in CRP;

2 Perennial crop acreage (i.e., trees or vines visibly on the acreage or not removed from the acreage in a proper or timely manner to allow for planting a crop for the crop year);

3 Acreage where pasture or forage is in place; (Refer to section 17(f)(6) of the BP for what constitutes established pasture, rangeland or forage that is in place and section 4 I and 4 K (2) (a) of this handbook.)

4 Acreage that has or recently had marsh vegetation; (e.g., cattails, bulrushes, and pondweeds), coarse emergent plants, or submerged aquatics; or

5 Acreage that has any other condition, as determined by the AIP, that would prevent the proper and timely planting of the crop when weather and other conditions are normal for the area in which the acreage is located. For example, acreage that in normal weather patterns is too wet to plant in the spring may be dry enough to till or plant and even insure a crop in the fall. Such acreage would not be available for planting a spring crop even though such acreage may have been tilled, planted, and/or insured the previous fall.

(d) Not be Uninsurable. The adjuster (and/or other contractor or AIP employee designated by the AIP) must verify that the acreage claimed as PP is **NOT** uninsurable acreage.

Uninsurable acreage includes, but is not limited to, acreage:

1 That has **not** been **planted** and **harvested or insured** (grazing is not considered harvested for the purpose of insurable acres) in any one of the three previous crop years **UNLESS**:

a The insured can show such acreage was:

(i) Not planted in at least two of the previous three crop years to comply with any other USDA program;

(ii) Not planted because of crop rotation (the acreage would not have been planted in the previous three years; e.g., corn, soybeans, alfalfa; and the alfalfa remained for four years before the acreage was planted to corn again); or

(iii) A perennial tree, vine, or bush crop was on the acreage on at least two of the previous three crop years. **(Clarification:** forage crops, grass crops, and sod are not considered perennial crops for this purpose.)

b Such acreage constitutes five percent or less of the insured planted acreage in the unit; or

c The CP, SP, or a WA specifically allow insurance for such acreage (unless an approved WA that is in effect excludes preventing planting coverage).

2 On which the only crop that has been planted and harvested in the three previous crop years is a cover, hay, (except wheat harvested for hay) or forage crop (except insurable silage**)** unless a forage crop is part of the insured's established crop rotation, as described in 4F(1)(c)1a(ii) above.

3 That has been strip-mined, unless:

a An agricultural commodity other than a cover, hay (except wheat harvested for hay), or forage crop (except insurable silage), has been harvested from the acreage for at least five crop years after the strip-mined land was reclaimed; or

b A WA specifically allows insurance for such acreage.

4 For which the actuarial documents do not provide the information necessary to determine the premium rate, unless insurance is allowed by a WA;

5 That is otherwise restricted by the CP or SP.

(2) The Maximum eligible acreage for all insured crops eligible for PP payments.

The TOTAL number of acres eligible for PP coverage for ALL crops CANNOT exceed the number of cropland[1] acres in the insured's farming operation for the crop year, unless the insured has provided proof that acreage was double cropped and at least one crop qualified for PP coverage. Refer to section G (4) and section 5 C.

[1] Cropland for insurance purposes is only land that is available for planting.

(3) Maximum eligible acreage for each insured crop.

TYPE OF CROP:	**Eligible acres if, in any <u>one</u> <u>or more of the</u> <u>four</u> most recent crop years[2], the insured <u>HAS planted</u> ANY crop in the county for which PP insurance was available (the insured will be considered to have planted if the insured's APH database contains actual planted acres) or has received a PP insurance guarantee:**
For crops not required to be contracted with a processor to be insured. Applicable crops not requiring processor contracts are as follows: Barley (including Specialty Type barley refer to section 4 F (11), canola/rapeseed, corn, cotton, ELS cotton, dry beans[1/], dry peas[1/], flax, grain sorghum, millet, oats, onions, peanuts, central and southern potatoes, northern potatoes, rice, rye, silage sorghum, soybeans (including specialty type soybeans - refer to section 4 F (11), safflowers, sunflower seed, tobacco, and wheat	A The maximum number of acres certified for APH purposes, or insured acres reported for insurance for the crop in any 1 of the 4 most recent crop years [2/] (not including reported PP acreage that was planted to a 2nd crop unless the insured meets the double-cropping requirements stated in section 5 C). B The number of acres determined above for a crop may be increased by multiplying it by the ratio of the total cropland [3/] acres that the insured is farming in the current crop year[2/] (if greater) to the total cropland [3/]acres that the insured farmed in the previous year, provided: (1) The insured submits proof to the AIP for the current crop year[3/] that the additional acreage was acquired by one of the following: (a) The insured bought the acreage; (b) The insured leased the acreage (except acreage the insured leased the previous crop year and continued to lease in the current crop year); (c) The acreage is released from any USDA program which prohibits harvest of a crop (e.g., CRP acreage can be factored up the first crop year it is released but not the following crop years); (d) The insured acquired the acreage through means other than lease or purchase (such as inherited or gifted acreage); or (e) The insured has an approved written agreement to insure acreage that was previously uninsurable. (2) The additional acreage must have been acquired in time to plant it for the current crop year[2/] using good farming practices; and (3) No cause of loss has occurred at the time the insured acquires the acreage that may prevent planting (except acreage the insured leased the previous year and continues to lease in the current crop year[2/]); **Although acreage where pasture or forage is in place is not considered available for planting[3/], if such acreage already exists as part of the insured's farming operation and the pasture or forage is destroyed in preparation for planting, such acreage cannot be used for purposes of increasing the number of eligible acres. Refer to section 4 G (6) regarding pasture and forage in place.** C If an insured adds adequate irrigation facilities to his/her existing non-irrigated acreage or if the insured acquires additional land for the current crop year that has adequate irrigation facilities, the number of eligible acres determined in A or B above for irrigated acreage of a crop may be increased by multiplying it by the ratio of the total irrigated acres the insured is farming this year (if greater) to the total irrigated acres that the insured farmed in the previous year, provided the conditions in B (1), (2), and (3) above are met. If there were no irrigated acres in the previous year, the eligible irrigated acres for a crop will be limited to the lesser of the number of eligible non-irrigated acres of the crop or the number of acres on which adequate irrigation facilities were added.

[1/] This does not include contract seed beans or contract seed peas. See contract seed beans or contract seed peas below.
[2/] Crop year as defined in the applicable crop provisions.
[3/] Cropland for insurance purposes is only land that is available for planting.

(3) Maximum eligible acreage for each insured crop (Continued).

TYPE OF CROP:	Eligible acres if, in ALL of the four most recent crop years[2], the insured HAS NOT planted ANY crop in the county for which PP insurance was available (the insured will be considered to have planted if the insured's APH data base contains actual planted acres) or has not received a PP insurance guarantee:
For crops **NOT required** to be **contracted** with a processor to be insured. Applicable crops not requiring processor contracts are as follows: Barley (including Specialty Type barley refer to section 4 F (11), canola/rapeseed, corn, cotton, ELS cotton, dry beans[1/], dry peas[1/], flax, grain sorghum, millet, oats, onions, peanuts, central and southern potatoes, northern potatoes, rice, rye, silage sorghum, soybeans (including specialty type soybeans - refer to section 4 F (11)), safflowers, sunflower seed, tobacco, and wheat	A The number of acres specified on an intended acreage report submitted to the AIP by the SCD for ALL crops the insured insures for the crop year[2/] and that is accepted by the AIP; or B The number of acres specified on your intended acreage report, submitted to the AIP within 10 days of the time the insured acquires the acreage that is accepted by the AIP, **IF on the SCD**, the insured does not have any acreage in a county and subsequently acquires acreage by a method described below in time to plant it using good farming practices. (1) (a) The insured bought the acreage; (b) The insured leased the acreage (except acreage the insured leased the previous crop year and continued to lease in the current crop year); (c) The acreage is released from any USDA program which prohibits harvest of a crop (e.g., CRP acreage can be factored up the first crop year it is released but not the following crop years); (d) The insured acquired the acreage through means other than lease or purchase (such as inherited or gifted acreage); or (e) The insured has an approved written agreement to insure acreage that was previously uninsurable. (2) No cause of loss has occurred at the time the insured acquires the acreage that may prevent planting (except acreage the insured leased the previous year and continues to lease in the current crop year[2/]). C The total number of acres listed on the intended acreage report cannot exceed the number of acres of cropland[3/] in the insured's farming operation at the time the intended acreage report is submitted. Also, refer to section 7 D for details on adjusting acres when they exceed the cropland acres. D If the insured acquires additional acreage after the AIP accepts the intended acreage report, the number of acres determined in A or B above may be increased by multiplying it by the ratio of the total cropland[3/] acres that the insured is farming in the current crop year[2/] (if greater) to the number of acres listed in the intended acreage report, if the insured submits proof to the AIP that for the current crop year[2/], **provided:** (1) The insured acquires acreage by a method described in B (1) above in time to plant it using a good farming practices; AND (2) No cause of loss has occurred at the time the insured acquires the acreage that may prevent planting (except acreage the insured leased the previous year and continues to lease in the current crop year[2/]). **Although acreage where pasture or forage is in place is not considered available for planting[3/], if such acreage already exists as part of the insured's farming operation and the pasture or forage is destroyed in preparation for planting, such acreage cannot be used for purposes of increasing the number of eligible acres. Refer to section 4 G (6) regarding pasture and forage in place.** E If an insured adds adequate irrigation facilities to his/her existing non-irrigated acreage or if the insured acquires additional land for the current crop year that has adequate irrigation facilities, the number of eligible acres determined in A or B above for irrigated acreage of a crop may be increased by multiplying it by the ratio of the total irrigated acres the insured is farming this year (if greater) to the total irrigated acres that the insured listed on the intended acreage report provided the conditions in D (1) and (2) above are met. If there were no irrigated acres on the intended acreage report, the eligible irrigated acres for a crop will be limited to the lesser of the number of eligible non-irrigated acres of the crop or the number of acres on which adequate irrigation facilities were added.

[1/] This does not include contract seed beans or contract seed peas. See contract seed beans or contract seed peas below.
[2/] Crop year as defined in the applicable crop provisions.
[3/] Cropland for insurance purposes is only land that is available for planting.

(3) Maximum eligible acreage for each insured crop (Continued).

TYPE OF CROP:	ELIGIBLE ACRES FOR CROPS THAT REQUIRE A PROCESSOR CONTRACT
For **crops that require** a **processor contract in order for the crop to be insured.** Applicable crops requiring processor contracts are as follows: buckwheat, hybrid seed (corn), hybrid sorghum seed, contract seed beans under the dry bean crop provisions, mustard, contract seed peas under the dry pea crop provisions, green peas, popcorn, processing sweet corn, processing beans, and sugar beets.	A The number of eligible acres will be: (1) The number of acres specified in the processor contract, if the contract specifies a number of acres contracted for the crop year[1/]; (2) The result of dividing the quantity of production stated in the processor contract by the insured's approved yield, if the processor contract specifies a quantity of production that will be accepted. (For the purposes of establishing the number of PP acres, any reductions applied to the transitional yield for failure to certify acreage and production for four prior years will not be used.); or (3) Regardless of A (1) or (2) above, if a minimum number of acres or amount of production is specified in the processor contract, this amount will be used to determine the eligible acres. B If a processor cancels or does not provide contracts, or reduces the contracted acreage or production from what would have otherwise been allowed, solely because the acreage was prevented from being planted due to an insured cause of loss, the AIP will determine the number of acres eligible based on the number of acres or amount of production the insured had contracted in the county in the previous crop year.[1/] (1) If the applicable CPs require that the price election be based on a contract price, and a contract is not in force for the current year, the price election will be based on the contract price in place for the previous crop year. (2) If the insured did not have a processor contract in place for the previous crop year[1/], the insured will not have any eligible PP acres for the applicable processor crop. (3) The total eligible PP acres in all counties cannot exceed the total number of acres or amount of production contracted in all counties in the previous crop year[1/].
	[1/] crop year as defined in the applicable crop provisions.

(4) Any eligible acreage determined in accordance with section 4 F (3) above will be reduced by subtracting the number of acres of the crop (insured and uninsured) that are timely and late planted.

(5) PP acres subsequently planted to a second crop are not used to determine eligible acres unless double cropping requirements are met. Refer to Section 5 for information regarding second crop and double cropping requirements.

(6) The insured must report the precise number of PP acres by the acreage reporting date. Refer to Section 7 for acreage reporting information and Section 11 for information about verifying eligibility of reported PP acreage and examples thereof.

(11) Specialty Type Barley and Specialty Type Soybeans

(a) For specialty type barley and specialty type soybeans insured under yield protection, PP payments can be made based on the contract price, when the policyholder provides a contract by the acreage reporting date. For specialty type soybeans only, if the contract is cancelled or reduced solely because acreage is prevented from being planted, the original contract amount is used to determine if the 110 percent requirement (total number of insured specialty type acres does not exceed 110 percent of the acreage under contract) has been met. Eligible acres for PP payments are determined in the same manner as for other crops with specific types. Since specialty barley and soybeans are not required to be under contract to be insured (a contract is required only if the policyholder wants to insure based on their contact price), eligible acres are determined in accordance with section 17 (e) (1) (i) of the BP (refer to section 4 F (3) of this handbook.)

1 If a policyholder does not have enough eligible acres for PP purposes, the PP payment and premium will be determined in accordance with 17 (h) of the BP. Refer to section 11 E of this handbook for more details and examples of using other types and/or crops to base the PP payment. Also, section 17 (f) (11) of the BP provides limits on types of any crop, including specialty type barley and soybeans. Refer to section 4 G (11) of this handbook for additional information regarding these limitations.

2 Below are several examples of determining PP for specialty types.

(b) Examples

Example 1*:* A policyholder with no previous history of growing specialty type soybeans intends to plant and insure LSFG type soybeans under yield protection plan using a contract price, but is prevented from planting this type. The policyholder has a history of growing AO type soybeans.

Since the insured has not produced LSFG in the past, the insured will not have any eligible PP acres for that type. The PP acres may be paid based on the AO type if there are any remaining eligible prevented planting acres. If there are no remaining eligible PP acres of specialty type, PP acres may be paid based on another crop with remaining eligible PP acres in accordance with section 17 (h) of the BP. Refer to subsection (11) (a) 1 above.

Example 2*:* A policyholder has a contract for 1,000 acres of a specialty type. There are a total of 300 eligible acres of AO type as determined in accordance with section 17 (e) (1) (i) A of the BP. There are no eligible PP acres for the specialty type; therefore, any PP eligibility for soybeans can only be based on the AO type.

Example 3*:* In 2011, the policyholder planted 900 acres of a specialty type and was paid 200 acres of PP. The acreage report for 2011 shows PP acres type 095 and the APH database shows 900 acres of the specialty type. Eligibility by type is determined as provided in sections 17 (f) (11) and 17 (e) (1) (i) (A) of the BP (refer to section 4 F (3) and section 4 G (11) of this handbook. In this case, the policyholder planted 900 specialty type acres in the previous year and is therefore eligible for 900 PP acres of the specialty type for the 2012 crop year. If the policyholder can prove the 200 PP acres were intended to be a specialty type (e.g., can provide a contract, seed records, etc.), they can be added to the 900 eligible acres for the specialty type for a total of 1,100 eligible acres. If the policyholder cannot provide evidence the type prevented from being planted was a specialty type, those acres will be the AO type (900 eligible acres of the specialty type and 200 eligible acres of the AO type).

Example 4*:* A policyholder has revenue protection for the AO type and a yield protection for a specialty type in 2011. The revenue protection has a unit with 100 acres planted to AO type. The yield protection has a unit with 50 acres planted to a specialty type. Both types are planted in the same field and there are 15 acres in the field that are prevented from being planted. To determine whether the PP acres meet the 20/20 rule, it must first be determined if the 15 acres that were prevented from being planted are the specialty type or the AO type. If the 15 acres are prevented from being planted to the specialty type, the acreage may qualify for a PP payment because more than 13 acres were prevented from being planted (20 percent of the 65 acres in the unit = 13). If the 15 acres that are prevented from being planted are the AO type, the acreage would not qualify for a PP payment because the 20/20 rule for the 115 acre unit of the AO type requires at least 20 acres to be prevented from being planted (20 percent of the 115 acres in the unit = 23).

G ACREAGE WHICH IS NOT ELIGIBLE FOR PP COVERAGE

Regardless of the number of eligible acres determined from using the instructions in subsection F (3) above, PP coverage will not be provided for any acreage:

(1) That does not constitute at least 20 acres or 20 percent of the insurable crop acreage in the unit, whichever is less (after the minimum acreage requirement on the unit is met, PP payments are on a per acre basis). For Whole Farm Units, the 20 acres/20 percent requirement will be applied separately for each crop in the Whole Farm Unit.

(a) Any PP acreage within a field that contains planted acreage will be considered to be acreage of the same crop, type, and practice that is planted in the field (if there are multiple crops planted in a field, the insured may select which crop will be used for the PP acreage), unless:

1 The PP acreage in the field constitutes at least 20 acres or 20 percent of the total insurable acreage in the field, and the insured produced both crops, crop types,

(a) There has been a change in the availability of inputs since the crop was last planted that could affect the insured's ability to plant and produce the insured crop;

(b) It is determined that the insured has insufficient inputs to plant the total number of insured crop acres (e.g., the insured will not receive a prevented planting payment if the insured has sufficient inputs to plant only 80 acres but the insured has already planted 80 acres and is claiming prevented planting on an additional 100 acres); or

(c) The insured's planting practices or rotational requirements show the acreage would have remained fallow or been planted to another crop;

(10) Based on an irrigated practice production guarantee or amount of insurance unless adequate irrigation facilities were in place to carry out an irrigated practice on the acreage prior to the insured cause of loss that prevented the insured from planting. **Acreage with an irrigated practice production guarantee will be limited to the number of acres allowed for the irrigated practice within the eligible acres determined as described in subsections 4 F (3). The insured must have irrigated within the same crop year, the crop claimed as PP irrigated practice and any insured crop from which remaining irrigated acres are used to make the PP payment. Refer to examples in section 11 E of this handbook.**

***

(11) Of a crop, type, or variety that the insured did not plant or has not received a PP insurance guarantee in at least one of the four most recent crop years[1];

(a) Types for which separate projected prices or price elections, as applicable, amounts of insurance, or production guarantees are available must be included in the insured's APH database in at least one of the four most recent crop years[1] (Crops for which the insurance guarantee is not based on APH must be reported on the insured's acreage report in at least one of the four most recent crop years[1]) except as allowed in section 4 F (3) above.

(b) The PP payments will be limited based on a specific crop type to the number of acres allowed for that crop type as specified in section 4 F above and herein. When a policyholder has eligibility for multiple types within a crop and the eligibility for all types within the crop has been exhausted, acreage borrowed from another crop for which the insured has remaining eligible PP acres will be used. The crop used will be the insured crop that would have the closest PP payment to the last PP payment amount used for the crop with multiple types (e.g., the PP payment and premium will be based on the type rolled to if the crop rolled to results in a lower PP payment) and continues on in descending order by per-acre PP guarantee. This insures a policyholder will not be paid a higher payment than previously paid when acres are borrowed from another crop.

Example: The insured's crop history for the four most recent crop years, along with each crop's per-acre PP guarantee is:

Crop	**Drk. Red Kid. Beans**	**Navy Beans**	**Spring Wheat**	**Corn**
Eligible PP Acres	25	25	50	50
PP Guar./Acre	$399	$336	$326	$638

[1] Crop year as defined in the applicable crop provisions

The insured reported 125 PP acres of dark red kidney beans (kidney beans) on his/her acreage report. The insured is eligible for 125 acres of PP since due to an insured cause, the insured was prevented from planting 125 acres of dry beans and there are 125 acres of eligible PP acres remaining. However, the PP payment would first be based on the remaining eligible bean type acres, followed by acres from the crop with a PP payment most similar to the previously used crop. In this case, the 25 acres and payment from the kidney beans would be used first, followed by remaining bean types with the most similar payment to the kidney beans. Since the 25 acres of navy beans are the only other type of dry beans remaining, those acres are used next (premium and PP payment will be paid as navy beans since it is lower than the kidney beans). This is then followed by the crop with the most similar payment to navy beans, which is Spring Wheat (The premium and PP payment for the 50.0 acres claimed as PP kidney beans will be paid as spring wheat since it is lower than navy beans). The remaining 25 acres claimed as PP kidney beans will use the eligible corn acres since it is the only crop with eligible acres remaining, but the premium and PP payment will be paid as spring wheat since it is lower than the corn PP payment.

*** (c) Refer to section 11 E for other examples of using remaining eligible acres of another type.

(12) When wheat acreage is short-rated (less than a full crop year coverage and premium), such acreage is not eligible for a PP payment for wheat, nor is it eligible for a PP payment for another crop unless it qualifies under “double cropping” provisions of the PP section of the policy. The insured short-rated acres reported on the acreage report in any of the four most recent crop years are used in the determination of the maximum number of eligible PP acres; or

(13) If a cause of loss has occurred that may prevent planting at the time:

(a) The insured leased the acreage (except acreage the insured leased the previous crop year and continues to lease in the current crop year);

(b) The insured bought the acreage;

(c) The acreage is released from a USDA program which prohibits harvest of a crop;

(d) The insured requested a written agreement to insure the acreage; or

(e) The insured acquired the acreage through means other than lease or purchase (such as inherited or gifted acreage).

H. PP COVERAGE FOR SPRING CROPS INTENDED TO FOLLOW A FAILED FALL CROP

An insured may be eligible for a PP guarantee for a spring-planted crop that was intended to be planted, even though a fall-planted crop had been planted on the acreage, if the acreage has a history of double-cropping, or if all of the following apply:

(1) The fall-planted crop failed, crop insurance coverage was not available for the fall-planted crop, and the insured is not eligible for any payment associated with the crop loss; e.g.; insured plants fall wheat in a county that only offers coverage for spring-planted wheat (there is no insurance available for fall wheat);

(2) Failure of the fall-planted crop occurs prior to the time that planting of spring crops normally begins in the county;

(3) No benefit, including any benefit under any USDA program, was derived from the failed fall-planted crop;

(4) The fall-planted crop is not an established forage stand. Refer to subsection I below regarding PP eligibility when there is an established forage stand in place; and

(5) An insurance policy with PP coverage is in place for the spring crop that is intended to be planted and there are no statements on the SP that would make the crop being claimed as PP uninsurable (e. g., The PP crop being claimed is soybeans after wheat that headed by the FPD of the soybeans, unless an insured cause in the PP period prevented the insured from being able to terminate the wheat before it headed. If there was no insured cause that prevented the wheat from being terminated before it headed, there would not be an insurable cause that prevented soybeans from being planted).

I. PP COVERAGE WHEN THERE IS PASTURE OR FORAGE

PP coverage will not be provided for any acreage on which any established pasture or other forage crop is in place[1] on the acreage during the time planting of the insured crop generally occurs in the area. However, in certain unique situations, they may not be considered to be in place, and the insured may be eligible for a PP guarantee when:

(1) The insured can demonstrate his/her intent to destroy an existing forage stand (that meets the criteria in (2) below) and plant a spring crop on the acreage **but due to insurable causes** was unable to destroy the forage stand and plant the spring crop (**e.g., if chemical kill, plow-down, or chisel plow of the forage crop the fall before planting the ground to a spring crop is a recommended practice in the area, then that step must have been taken, unless the insured can provide documentation that an insured cause prevented that particular step**); and

(2) Items (a)-(e) ALL apply:

(a) If:

1 Insurance under the Forage Production Crop Provisions is available in the county, the forage crop must be an over-age stand or stand that is reduced such that insurance would not be available; or

[1] If it is more than 12 months prior to the FPD for the insured crop that was prevented from being planted, it will be considered pasture or a forage crop that is in place.

2 If insurance under the Forage Production Crop Provisions is not available in the county, the stand must be reduced such that the forage would not be further cared for by producers in the area and would normally have been removed; **or**

3 The insured can provide verifiable documentation that establishes the forage rotation practice, and that this would be the year the forage on this acreage would be rotated to another crop; **or**

4 Before the insured's normal forage rotation practice would occur, the forage stand, due to adverse conditions, has been reduced such that insurance would not be available or if insurance is not available, it would be reduced such that the forage would not be further cared for by producers in the area and would normally have been removed; **or**

5 The forage stand would have normally been removed in the fall for one of the reasons stated in 1-4 above, but agricultural experts recommend that the stand not be removed to prevent soil erosion.

(b) No benefit (including any benefit under any USDA program) was derived from the forage crop;

(c) Insureds with acreage of similar characteristics in the surrounding area were prevented from planting;

(d) The insured provides documentation/proof to the AIP's satisfaction that the acreage would qualify as "Insurable Acreage" under the applicable policy provisions for the crop being claimed as prevented; and

(e) An insurance policy with PP coverage is in place for the spring crop that is intended to be planted.

J. PP COVERAGE FOR AN INTENDED FALL-PLANTED OR SPRING-PLANTED CROP FOLLOWING A SPRING-PLANTED CROP FROM THE PRIOR CROP YEAR

(1) An insured producer may be entitled to a PP payment for a crop with a fall-planting date or spring-planting date that was prevented from being planted by the FPD due to adverse weather preventing harvest of a mature spring-planted crop, **provided other producers** with acreage having similar characteristics in the surrounding area were also prevented from harvesting a mature spring-planted crop (due to adverse weather). In counties that have crops with only spring FPDs or both fall and spring FPDs (e.g., Small Grains), the insured crop must be prevented from being planted until the spring FPD in order to be eligible for a PP guarantee.

EXAMPLE 1: A spring crop was planted in 2010. Due to excess moisture at the time the 2011 fall crop should be planted, the spring crop was not able to be harvested by the fall FPD and prevents planting of a fall-planted crop for the 2011 crop year.

EXAMPLE 2: A spring crop was planted in 2010. Due to excess moisture, the crop was prevented from being harvested by the calendar date for the end of the insurance period for the crop (AIP granted additional time to harvest the crop). Continued adverse weather prevented harvest of the crop until the late winter months or early spring months of 2011. Spring weather conditions prevented field preparation and/or planting of the 2011 spring crop by the spring FPD due to the 2010 crop not being harvested.

(2) This also applies when a spring-planted crop (e.g., 2010 corn) was planted using good farming practices (i.e., a variety adapted for the area, timely planted or if late planted seed, a shorter season variety was planted rather than a full-season variety, etc.), but adverse **(CONTINUED ON PAGE 35)**

(RESERVED)

35%. Even if the crop planted on the PP acreage has NAP coverage in effect and it is never grazed, hayed, or harvested; it is still considered a second crop because NAP coverage is in effect.

(c) Cover Crop and/or Volunteer Crop

1 If a cover crop is planted prior to the end of the LPP (on or prior to the FPD if no LPP is applicable) for an insured crop that is prevented from being planted, PP coverage may be provided for the insured crop. The cover crop may be the crop prevented from planting (e.g., wheat), provided it is planted at the seeding-rate recommended by agricultural experts for the cover crop (and is not planted for harvest as grain). However, if the cover crop is hayed or grazed the applicable item below will apply. If the cover crop is harvested for grain, seed, etc., item 6 below will apply.

2 If a cover crop or volunteer crop is hayed or grazed or otherwise harvested within or prior to the end of the LPP (on or prior to the FPD if no LPP is applicable) for an insured crop that is prevented from being planted, no PP coverage is available.

3 If a cover crop is planted after the end of the LPP (FPD if no LPP is applicable) for an insured crop that is prevented from being planted, but is not hayed or grazed prior to November 1, the PP payment will not be reduced.

4 If a cover crop or volunteer crop is hayed or grazed after the end of the LPP (FPD if no LPP is applicable) for an insured crop that is prevented from being planted and prior to November 1 of the crop year, the PP payment will be reduced by 65 percent.

5 If a cover crop or volunteer crop is hayed or grazed after November 1 of the crop year in which an insured crop is prevented from being planted, the PP payment will not be reduced.

6 A crop harvested for grain, seed, etc., is presumed not to have been grown for conservation or soil improvement purposes and the policy provisions for second crops or crops planted prior to the end of the LPP, as applicable, will apply.

EXAMPLE 1: Wheat is planted as a cover crop **within or PRIOR to the end of the LPP (or on or prior to the FPD date if no LPP is applicable) of the crop being claimed as PP** and is subsequently **harvested for grain, seed, etc.,** (at any time), **no PP payment can be made**. If there is an active wheat policy and wheat is planted as a cover crop (verified that the seeding rate, fertilizer rate, etc., is consistent for a cover crop) and then is harvested as grain, seed, etc., the wheat acreage cannot be added to the acreage report as insurable acreage. Even though the wheat was harvested, the acreage is uninsurable since the Small Grains Crop Provisions require wheat to be planted for harvest as grain in order to be insurable as is the case with most grain crops.

EXAMPLE 2: If wheat is planted as a cover crop (verified that the seeding rate, fertilizer rate, etc., is consistent for a cover crop) **AFTER the end of the LPP** (FPD if no LPP is applicable) of the crop being claimed as PP and is subsequently **harvested for grain, seed**, etc., the **PP payment is reduced by 65 percent.** If the cover crop planted is wheat and is subsequently harvested as grain or seed and an active wheat policy exists, it cannot be added to the acreage report for the same reason stated in Example 1 above.

(2) If the insured is prevented from planting the first insured crop in the crop year (except in the case of double cropping, as described in subsection C below), the following applies:

(a) Insured's Options:

1 **Not plant a second crop** on the same acreage for harvest in the same crop year and collect 100 percent of the PP payment for the acreage, provided no other party plants a second crop on this acreage. Refer to subsection 5 B below.

2 **Plant a second crop** on the same acreage for harvest in the same crop year. (A cover crop or volunteer crop may be considered a second crop. Refer to subsection 4 K and 5 A (1) (b) above.) (For PP, the second crop does not have to be insured or suffer a loss before the PP payment for the first insured crop (PP acreage) is reduced to 35%. Also, if a second crop is planted by someone else, the PP payment will be reduced as stated in subsection B below.) When a second crop is planted and the insured does not qualify for double cropping (refer to subsection C below), the following will apply:

a The insured will receive 100 percent of an indemnity that may be due for the second crop and 35 percent of the PP payment for the acreage of the first insured crop provided the second crop is not planted on or before the FPD or during the LPP (as applicable) for the first insured crop.

b The insured is responsible for a premium for the first insured crop of PP acreage that is commensurate with the amount of the PP payment paid for the first insured crop; i.e., 35%.

c The insured is responsible for paying the full premium for the second crop acreage, if the second crop is an insured crop. If second crop planted acreage follows first insured crop of PP acreage, it must be reported as insured acreage if it meets all insurability requirements for the crop. When PP acreage is the first insured crop, the insured does not have the option to not insure second crop acreage that is insurable if there is an active policy in the county for the crop.

d Subsequent crops planted will not affect the indemnity of second crop acreage.

EXAMPLE: Wheat planted for harvest as grain would have insurance available under the ACT, but wheat planted for haying purposes would not.

1 **For the purpose of determining double-crop history, both crops do not have to have been insurable or insured in prior years**; e.g., for the current crop year, the first insured crop is wheat, and the second crop is soybeans. Prior year records show wheat is followed by carrots (there is no insurance program for carrots) in at least two of the last four crop years. If soybeans are planted on the PP wheat acres, the PP wheat acreage qualifies for double-cropping (entitled to 100% PP payment) due to the fact that there was double-cropping history wheat (carrots followed wheat).

2 A crop that has been hayed or grazed (except an insured crop that was released for other use) will not qualify for a historical double-cropping crop.

(c) The second crop is **NOT** planted on or prior to the FPD, or if applicable prior to the end of the LPP on the first insured crop.

(d) The amount of acreage the insured is double cropping in the current crop year does not exceed the number of acres for which the insured provides records, as required in (3) below.

(e) The insured provides records as stated in (3) (b) below.

(3) Acceptable Double-Cropping Records

(a) Acceptable double-cropping records include but are not limited to: APH acreage and production records such as settlement sheets, bin measurements, FSA maps, and FSA 578s that identify the acreage, production, and location from which the production came.

(b) The insured must provide records as stated in 1 or 2;

1 **His/her own acreage and production records,** acceptable to the AIP, that show the insured has double-cropped acreage in at least two of the last four crop years in which the **insured crop that is prevented** from being planted in the current year was planted in the county for which the PP claim is being made.

a For example, if the insured has double-cropped 100 acres of wheat and soybeans in the county and the insured acquires an additional 100 acres in the county, the insured can apply that history of double cropped acreage to any of the 200 acres in the county as long as it does not exceed 100 acres.

b Refer to (a) above for what constitutes acceptable records and the examples in (5) below regarding the insured’s own records of double-cropping. When the double-cropping history requirements have been met, based on the insured’s own records, the double cropping exemption may be used anywhere in the county.

2 **Another person's acreage and production records,** acceptable to the AIP, that show the exact same acreage in the county on which the PP claim is being made, for the current crop year was double cropped in at least two of the last four crop years in which the **insured crop that is prevented** from being planted in the current crop year was grown by someone else and the insured acquired this exact same acreage.

a **FOR EXAMPLE:** If a neighbor has double cropped 100 acres of wheat and soybeans in the county and the insured acquires the neighbor's 100 double-cropped acres and an additional 100 acres in the county, the insured can only apply the neighbor's history of double-cropped acreage to the same 100 acres that the neighbor double cropped.

b Refer to (a) above for what constitutes acceptable records and see example 4 in (5) below for an example of using someone else's double-cropping records. When the double-cropping history requirements have been met based on someone else's records, the double-cropping exemption may only be used for the exact same acreage for which the double-cropping records were provided.

3 For production from double-cropped acreage that was not kept separate from non-double cropped acreage:

a AIPs may allocate commingled first/second crop production to that acreage in proportion to the liability for the acreage that was and was not double cropped, provided the yields are representative as described in b below. This allocation procedure applies to commingled production from the first crop that is double-cropped (i.e. wheat production from acreage planted to a second crop and wheat production from acreage not planted to a second crop) as well as the second crop that is double-cropped (i.e. soybean production from acreage planted after a first crop and soybean production from acreage not planted after a first crop). Refer to paragraphs 126 and 53 of the LAM. In cases where the liability per acre is the same for the crop on the acreage that was and was not double cropped, or in cases where the crop was not insured or was not an insurable crop, AIPs may divide the total production by the total acres to allocate commingled production.

b AIPs must determine the amount of allocated production is representative of the yields per acre, for the particular year and area from both the double cropped and non-double cropped acreage (e.g., The amount of allocated production is reasonable compared to the average yields per acre for the area and that all such production would not have reasonably came from only the first crop acreage or the second crop acreage.).

CLARIFICATION: Potential production from appraised production (including acreage by-passed by a processor) of an insured crop would meet the requirement for records of acreage and production that show double-cropping history; provided it also meets the criteria in (2) above. Short-rated wheat acreage cannot be considered for double-cropping history since such acreage is not appraised and does not meet the criteria in (2) above.

(4) Double cropping history is specific to the county/policy in which the PP claim is being made. A crop that has been hayed or grazed (except an insured crop that was released for other use) will not qualify for historically double-cropping crop; i.e., a crop was planted and harvested and was followed by another crop on the same acreage within the same crop year that was hayed or grazed.

(5) EXAMPLES OF DOUBLE-CROPPING ELIGIBILITY

EXAMPLE 1: A producer claimed 300 acres of PP **wheat** for the 2012 crop year**.** The producer had double cropped 300 acres of **wheat** and soybeans three years ago on Farm A. This same producer on Farm B (same county) had double cropped 300 acres of **wheat** and soybeans the previous year. These are the only double cropping records this producer has for the last four crop years in which **wheat** was planted. This insured would be eligible for 300 acres of double cropping wheat and soybeans for the current crop year in this county.

EXAMPLE 2: For the 2012 crop year, the producer planted and insured 200 acres of wheat and on the same acreage claimed 200 acres of PP **soybeans.** This producer had double cropped 200 acres of wheat and **soybeans** for one of the last 4 years in which **soybeans** were planted on Farm A. The insured has 200 acres of wheat and sunflower double-cropping history on Farm B (same county). These are the only double cropping records this producer has**.** The insured would not be eligible for 200 acres of double cropping **soybeans** and would not be eligible for a PP **soybean** payment.

EXAMPLE 3: The insured has history of 200 acres of double-crop wheat/soybeans. The insured claimed 150 acres of PP winter wheat on field A for the 2012 crop year and plants and harvests 150 acres of 2012 winter wheat on field B. Subsequently, in the spring the insured is prevented from planting the double-crop soybeans. If the insured is paid at 100% on the 150 acres of PP wheat on field A and no PP soybeans were claimed on the field A or no second crop was planted on field A, the insured would still have 200 acres of double-cropping eligibility that could be used. In this case, the insured could claim and receive 100% PP on soybeans on field B, provided all other policy conditions are met.

EXAMPLE 4: The insured, farmer Brown, has no double-cropping history of his own in the county in which the PP **soybean** claim is being made. However, part of the land the insured, farmer Brown, is farming this crop year is land farmer Brown acquired from another person (John Doe).

Out of 10 fields in the county the insured farms, 7 fields are first 1st crop soybeans and 3 fields (fields A, B, C in tract 1044 of section 20) are PP **soybeans** (following a 1st insured wheat crop). Of those 10 fields, two of those fields (fields A and C) were purchased from John Doe and farmed by John Doe in previous crop years. John Doe has double-cropping records for 5 fields of wheat followed by **soybeans** in the county for two of the last four crop years in which **soybeans** were planted. John Doe's records show that two of these fields are fields A and C, the exact same acreage on which the insured, farmer Brown, planted the wheat followed by PP **soybeans**. Field B is not the same exact acreage.

Farmer Brown will receive a 100% Wheat indemnity and 100% PP **soybean** payment on field A and C. However, farmer Brown is not eligible to receive a **soybean** PP payment on field B since the 1st insured crop, wheat was planted prior to the FPD for **soybeans** and field B was not one of the fields for which John Doe had double-cropping history.

EXAMPLE 5:

INSURED CROP FOR 2011 CROP YEAR: **PLANTED WHEAT**	**SUBSEQUENT INSURED CROP IN 2011:** **PP SOYBEANS**
HISTORY:	**HISTORY:** **All soybeans planted acreage below was harvested.**
2006 CY 100 acres of wheat harvested	2006 CY 100 acres of soybeans planted on wheat acreage.
2007 CY 200 acres of wheat harvested	2007 CY 200 acres of soybeans planted on wheat acreage.
2008 CY 0 acres of wheat planted	2008 CY 300 acres of soybeans planted
2009 CY 250 acres of wheat planted	2009 CY 250 acres of soybeans planted on wheat acreage.
2010 CY 300 acres of wheat; not harvested/not appraised.	2010 CY 300 acres of soybeans planted on wheat acreage
2011 CY 0 acres of wheat planted.	2011 CY 200 acres of soybeans planted
The insured does not have double cropping records for two of the last four crop years in which soybeans were planted. You cannot count 2010 as a double cropping year because the unharvested wheat acreage was not appraised. The insured is not eligible for a PP soybean payment since the insured does not have records of two years of double-cropped **soybeans.**	

EXAMPLE 6

First Crop Planted for 2012 crop year: Wheat Planted but not insured (Insurance is available for wheat in this county.) History: 2006 CY 100 acres of wheat harvested 2007 CY 200 acres of wheat harvested 2008 CY 0 acres of wheat planted 2009 CY 0 acres of wheat planted 2010 CY 300 acres of wheat; not harvested/not appraised. 2011 CY 0 acres of wheat planted.	**First insured crop for 2012:** Subsequent insured crop in the 2012 crop year is PP Soybeans and is the first insured crop. History: All soybeans acreage planted below was harvested. 2006 CY 100 acres of soybeans planted on wheat acreage. 2007 CY 200 acres of soybeans planted on wheat acreage. 2008 CY 300 acres of soybeans planted 2009 CY 250 acres of soybeans planted 2010 CY 0 acres of soybeans planted 2011 CY 0 acres of soybeans planted
Based on the insured crop (PP **soybeans**), the insured has only 100 acres of soybean double-cropping history because there is only 100 acres of double cropping history in **two** of the **past four crop years soybeans were planted**. In the last four crop years soybeans were planted, there were two years that soybeans were planted and harvested in the same crop year that wheat was planted and harvested – 2006 and 2007, and out of those two years, only 100 acres were planted in both of those years. Two hundred acres could not qualify as the double-cropped acreage because 200 acres of soybeans were not planted in both years.	

Refer to 11 D (3) for a much more detailed example of double cropping history and also refer to PAR. 49 of the LAM for additional examples.

(3) Claims

A claim for a PP payment can be made separate from a claim for timely and LP acres or they can be combined onto one claim form (Production Worksheet (PW), hereafter, called PW.)

(a) **PP Payment Claim**

When preparing a separate claim for a PP payment, the PP acreage and PLANTED acres must be shown on the claim form. For example: If 70.0 acres were planted and 30.0 acres were prevented from planting, the PW will be completed as follows: The line with the 70 "planted" acres will show the appropriate entries in the "Stage "and "Intended Use" columns as indicated in the tables in subsections A and B above. The line with the 30 PP acres will be coded "P2," "PF," or "PT," respectively, in the "Stage" and "Intended Use" columns. The "Total" final acres for the unit will be 100.0 acres. Only the line of PP acres will be transmitted to the RMA Data Acceptance System.

If the first insured crop on the acreage is PP and part of the PP acreage is or will be planted to a second crop, the PP acres that are or will be planted to a second crop must be shown on a separate line of the PW from the other PP acreage.

(b) **Indemnity Payment (planted acres) Claim**

If a PP claim has already been prepared and submitted previous to an Indemnity Payment (planted acres) claim, or the AIP prefers that separate PW's are prepared for each type of claim, list the planted acres as instructed in the appropriate crop handbooks. List the PP acres for which a separate claim form has already been prepared, and make the appropriate entries (as instructed in subsections A and B above) in the "Stage" and "Intended Use" columns that indicate the PP payment has already been made. This would also include acreage planted after the LPP due to an insured cause that prevented planting prior to the respective crop's FPD or during the LPP for the respective crop.

For example, if there are 100 acres in the unit, the PW would be prepared as follows: A separate PP payment was previously paid on the 30 acres. The 70 acres of planted acres have been harvested. On the line with the 70 acres, the entry in the "Stage" column would be "H" and the "Intended Use" would be "H." On the line showing the 30 acres of previously paid PP acres (60% PP coverage), the "Stage" column entry would be "P2P," and the "Intended Use" column entry would be "Prev. Paid." The entry for "Total" final acres for the unit would be 100.0 acres.

(c) **Combination Indemnity Payment (planted acres) and PP Payment Claim**

If the insured is eligible for a PP payment, which has not been claimed previously, and an indemnity payment is due for the planted acres, a combination of both types of claims can be entered on the same PW form.

1 For all lines of planted acres, follow the instructions in the appropriate crop handbook for making the appropriate claim entries.

2 For all lines of PP acres, make the appropriate claim entries as instructed in subsections A and B above.

3 The indemnity payment for the planted acres will be determined separately from the PP payment.

(d) **Documentation:** In the Narrative of the claim form, document the following: The crop with remaining eligible acres and closest PP payment to the crop claimed as PP that was used, and which crop was used to pay the PP claim. Refer to section 11 E for information regarding these determinations.

(4) The AIP must be reasonably certain that PP acreage is not shared in common between two or more crops insured through different AIPs before finalizing a PP claim.

(5) The PP acreage reported on the acreage report for the unit will be considered the PP acres for the unit UNLESS ineligible PP acreage was reported or the insured did not meet all of the PP coverage requirements.

(a) Verify that all of the requirements for PP coverage were met and that all of the acres reported as PP are eligible PP acres.

(b) If the insured is not eligible for a PP payment for some of the PP acres reported, the entry for "determined acres" on the claim form for the PP acres must reflect only the PP acres for which the insured is eligible. The acreage report does not need to be revised during loss adjustment except as stated in subsection 7 I.

F. PP PAYMENT CALCULATION

The PP guarantee is separate from the timely and LP guarantees, and the guarantees are not added together to determine the PP payment. The PP payment is considered a separate payment from the indemnity payment. The following step (or steps) are used to determine the PP payment for any eligible acreage within a unit:

(1) **STEP 1 - For 100% of PP Payment -** When PP acres that are the first insured crop and that will not or does not have a second crop planted on the same acreage (or NO actions have been taken on the same acreage that would require reduction of the PP payment as stated in section 5 AND STEP (2) does not apply).

(a) Multiply the insured's prevented planting coverage level percentage by:

1 The insured's per-acre amount of insurance; OR

2 The amount determined by multiplying the insured's per-acre production guarantee for timely planted acreage of the insured crop (or type, if applicable) by the insured's price election or projected price, whichever is applicable.

(b) Multiply the result of (a) above by the number of eligible PP acres in the unit, and

(c) Multiply the result of (b) by the insured's share.

(3) **EXAMPLE 3:**

Total cropland 2545.9:

In 2012, the insured planted, reported, and harvested 399.9 acres of insured winter (fall-planted) wheat. For 2012, the insured reported the following acres of spring crops:

corn, planted	1215.4 acres
soybeans NFAC (not following another crop), planted	813.4 acres
soybeans FAC (following another crop; i.e. double-cropped (DC)), planted	74.0 acres
NFAC soybeans, prevented planting	72.8 acres
FAC soybeans, prevented planting	226.0 acres

Question: Based on the following history, are the 226.0 reported FAC PP soybean acres eligible for a PP soybean payment for the 2012 crop year?

CROP HISTORY FROM INSURED'S RECORDS OR APH RECORDS						
CROP YEAR	**OATS**	**CORN**	**SOYBEANS**			**WHEAT**
			NFAC PRACTICE	**FAC PRACTICE**	**TOTAL SB ACRES**	
2006	0.0	0.0	885.7	191.6	1077.3	268.7
2007	30.0	0.0	1079.1	0.0	1079.1	0.0
2008	20.0	979.3	979.1	0.0	979.1	0.0
2009	0.0	909.4	950.9	50.9	1001.8	200.8
2010	0.0	805.3	954.8	106.9	1061.7	106.9
2011	0.0	793.4	816.7	341.3	1158.0	349.6
MAX. ELIGIBLE ACRES FOR CROP (based on highest # of acres in 1 of the past 4 crop years.	**20.0**	**979.3**			**1158.0**	**349.6**

*** **Answer:** No, 226.0 acres exceed the maximum FAC acres eligible for the 2012 crop year. However, the eligible remaining FAC acres for the 2012 crop year are 32.9 after the 74.0 planted FAC soybean acres for 2012 are deducted from the maximum eligible acres.

***

*** **Reason:** There are double cropping records for soybeans after wheat for three of the past four crop years in which soybeans were grown. Per the double crop history (FAC) above, 106.9 FAC acres is the maximum number of soybean acres that have been double cropped in at least two of the last four crop years in which the crop prevented from being planted (soybeans) was grown. The maximum double-crop acres is not 341.3 acres because 341.3 acres have not been double-cropped for two of those last four crop years, but 106.9 acres have been; i.e., 106.9 acres were double cropped in 2010, and 341.3 acres were double cropped in 2011.

See further explanation in the reason on the next page.

Since the insured planted 74.0 acres of (FAC) soybeans in 2012, the 74.0 acres would have to be subtracted from the 106.9 maximum soybean DC acres leaving 32.9 soybean DC acres eligible for PP.

(4) **EXAMPLE 4:**

Total Cropland acres = 168.5 acres

Total acres reported in 2012
88.4 PP Wheat acres (field A)

88.4 acres planted to Grain Sorghum on field A (2nd crop – planted on the pp wheat acres).
3.8 additional acres planted to Grain Sorghum (1st crop).
76.3 acres of soybeans planted
168.5 acres actually planted

Maximum PP Acres by Crop and for ALL CROPS and Deduction of Planted Acres

Corn =	73.8 acres – 0.0 acres planted for 2006 = 73.8 acres eligible
Soybeans =	105.3 acres – 76.3 acres planted for 2006 = 29.0 acres eligible
Grain Sorghum =	0.0 acres
Wheat =	0.0 acres

1/ TOTAL for ALL Crops = 179.1 acres

1/ Zero history of double-crop grain sorghum or soybean.

Since there were zero eligible PP wheat acres, the wheat must use the remaining eligible PP acres from a crop(s) that would have a PP payment closest to wheat PP payment. In this case, the crop with the closest payment to the wheat PP payment is soybeans. Then the only crop remaining that has eligible acres is corn. The PP payment for wheat is lower than either the soybeans or the corn. Therefore, the wheat PP payment will be paid under the wheat unit for which the wheat PP acres were claimed. The wheat PP payment will be reduced 65% since all of the PP wheat acres (88.4 acres - field A) had been planted to grain sorghum (2nd crop).

Even without double-cropping history, because of the 1st crop/2nd crop policy provisions, it is possible to have more acreage on which payments can be made than there are actual cropland acres, as in this instance; i.e., 88.4 acres PP payment, + 168.5 acres of grain sorghum and soybeans planted subject to possible indemnity payments = 256.9 acres which exceeds the 168.5 acres of cropland.

E. PREVENTED FROM PLANTING - NOT ENOUGH ELIGIBLE ACREAGE FOR THE CROP

For crops prevented from planting for which the insured does not have an adequate base of eligible PP acreage, the AIP will use acreage from another crop insured for the current crop year for which the insured has remaining eligible PP acreage. Refer to subsection 4 F (8) for details.

(1) If the PP payment will be made under another crop(s)/unit(s) rather than under the crop/unit that was prevented from planting:

(a) The number of acres payable under that unit is not limited to the number of physical number of acres in that unit. For example:

- Insured claimed 200 acres of PP corn but did not have any remaining eligible corn acres, but the insured had 200 acres of soybeans remaining eligible PP acres.
- Soybeans unit 0001-0001OU would result in the closest PP payment and would also result in a lesser PP payment than the corn PP payment would.
- The 200 acres of corn claimed as PP would be paid as PP soybeans, unit 0001-0001OU, even though there is only 100 cropland acres available for planting in soybeans, unit 0001-0001OU.

(b) The share used will be the share from the crop unit on which the acreage was prevented from planting (qualifying unit). Refer to example in (7) (a), Example 1 below.

(c) Acreage reports will also be revised to show PP acreage that will be used to pay the PP acreage for the qualifying crop/unit (i.e., the crop/unit prevented from planting).

*** (d) Prepare the claim form for the PP payment for each crop unit that eligible PP acreage was used to pay the PP claim for the qualifying unit acreage, document the crop, unit number, and legal description of the qualifying crop/unit (i.e., the crop/unit prevented from planting).

(2) In counties having both a fall and spring FPDs for barley, oats, and wheat, remaining eligible acres are based on the total of all barley, oats or wheat types; however, any PP payment is based on the spring type only. If the insured does not have an APH database for a spring type, then one must be created to make the PP payment.

(3) When the insured has multiple types in his/her 4-year PP history, and the insured claims more acres for a type(s)/crop than the insured has remaining eligible acres for the types/crop claimed as PP, refer to Examples 2 and 3 in subparagraph (10) below.

(4) When the insured has irrigated and non-irrigated acreage (or only irrigated acres) in his/her APH databases and there are more irrigated acres claimed for the crop prevented from planting than the insured has history in his/her 4-year PP history for the crop, refer to Examples 6 and 7 in subparagraph (10) below. Also, the examples indicate when the

insured has or has not irrigated, within the same crop year, the crop that is claimed as PP irrigated practice and the insured crop(s) from which remaining irrigated acres are used to make the PP payment.

(5) PP payments cannot be made using remaining eligible acres of a practice for which the insured would not qualify. This is irrespective of whether the acreage claimed as PP (e.g. corn) is paid under the crop claimed as PP (e.g., corn) or whether another crop is used to pay part of the acreage claimed when the crop claimed as PP had no remaining eligible PP acres. Examples (but not limited to the practices, in the following examples):

(a) There is a total of 100 acres of wheat in unit 0001-001OU. The insured claims all 100 acres as summerfallow, but only has a history of 50 acres summerfallow and 50 acres of continuous cropping on the unit. The insured cannot be paid PP on 100 acres of summerfallow unless all 100 acres claimed as PP qualify for a summerfallow practice.

(b) The insured claims PP for 200 acres of organic corn; however, the APH records show 100 acres of certified organic corn and 100 acres of transitional corn. Based on this information, the insured cannot be paid a PP claim based on a certified organic practice unless all 200 acres prevented from planting qualifies for the certified organic practice. For example, the insured provides an organic plan from a certifying agency that identifies the physically located 200 acres as certified organic acreage. If the insured is unable to plant any acreage that would have qualified for an organic practice, an organic plan from the previous crop year can be accepted, unless the AIP determines that the insured has taken some type of action that would have disqualified the acreage as organic; i.e., applied a prohibited substance. Refer to PAR. 43 of the LAM for additional information regarding acreage qualifying or not qualifying for a certified organic practice.

(c) The insured claims 200 acres of irrigated corn but has history of planting only 100 acres of irrigated corn. The insured cannot be paid for 200 acres based on an irrigated practice if 200 acres of the acreage does not actually qualify for an irrigated practice; e.g., there are irrigation facilities available for only 100 acres. Also, the insured must have irrigated within the same crop year, the crop claimed as PP irrigated practice and any insured crop from which remaining irrigated acres are used to make the PP payment. Refer to Examples (f) and (g) in item (10) below.

(6) When crops are insured with more than one AIP, and it is necessary for one AIP to use eligible acres from other crops they insure to pay a PP payment, the AIP should use remaining eligible acres from the crops they insure first. If all remaining eligible acres from other crops are exhausted, and the other AIP insures a crop(s) that has remaining eligible PP acres and the PP payment for this crop would be less than the PP payment the crop/unit prevented from planting, the other AIP may (but is not required to) process the PP claim using these remaining eligible acres, provided they agree with the determinations, causes of loss, etc., that the other AIP made.

(7) A transferee of a Transfer of Right to an Indemnity (Transfer) cannot be paid a PP payment based on a payment from another crop having the most similar PP payment as the crop

prevented from planting, unless the crop having the most similar PP payment also has a Transfer in effect as explained in Section 3 C of this handbook.

(8) Additional administrative fees that result solely from basing a PP payment on another crop will not be charged to the policyholder. AIPs are to flag these crops in the type P14 record in accordance with Appendix III to ensure no administrative fee is charged when there are no planted acres for this crop and/or an actual PP payment has been paid or is due for this crop.

*** (9) When the crop(s) for which there are remaining eligible acres has an Enterprise Unit (EU) structure, determine the crop/unit with the most similar payment from the basic or optional unit within the EU.

(10) EXAMPLES OF DETERMINING CROP/UNIT HAVING REMAINING ACRES WITH THE CLOSEST PP PAYMENT AND THE CROP/UNIT DETERMINED TO PAY THE PP PAYMENT

(a) **EXAMPLE 1:**

An insured plants 75 acres of Unit 0001-0001OU- to corn and is prevented from planting 25 acres. The insured has a 100 percent share on this unit. The adjuster determines that there are 75 MAXIMUM eligible acres for corn.

The adjuster must find the crop(s)/unit(s) having remaining eligible acres with the most similar (closest) PP payment as corn and whether the payments are less than what the PP payment for corn would be. The corn Unit 0001-0001OU per acre PP dollar amount is $146.25. The insured also has soybeans and grain sorghum on the policy and has another policy for winter wheat for the same crop year.

Per-acre PP guarantee dollar amounts (without regard to share)		
Soybeans Units	Grain Sorghum Units	Winter Wheat Units
0001-0001OU - $112.50	0001-0001OU - $44.10	0001-0001OU- $35.88
0001-0002OU - $101.25	0001-0002OU - $53.75	0001-0002OU - $32.48
0001-0003OU - $123.75	**0001-0002OU - $58.50**	**0001-0003OU - $40.50**

The maximum eligible PP acres for each crop			
Crop	Acres	Crop	Acres
Corn	75.0	Grain Sorghum	42.0
Soybeans	47.0	Wheat	105.4

Remaining Eligible Acres						
Eligible Acres	Share	Planted Acres		PP Acres		Remaining Eligible Acres
Corn – 75.0	1.000	75.0	-	25.0	=	0.0 Acres
Soybeans – 47.0	1.000	32.0	-	0.0	=	15.0 Acres
Grain Sorghum – 42.0	.750	30.0	-	7.0	=	5.0 Acres
Fall Wheat – 105.4	1.000	100.4	-	0.0	=	5.0 Acres

1 Unit 0001-0003OU soybeans per-acre PP payment of $123.75 is the closest amount to the corn per-acre PP payment of $146.25.

2 Since there are not enough eligible soybean acres, the next similar (closest) per-acre PP payment is Unit 0001-0002OU grain sorghum at $58.50 per acre. (share will be the same as corn).

3 Since there are not enough eligible grain sorghum acres remaining, the next most similar (closest) per-acre PP payment is on unit 0001-0003OU wheat at $40.50 per-acre.

Since all of the crops with remaining eligible acres and closest per-acre PP payment would result in a lower PP payment than the corn, these crops will be used to make the PP payment, as follows:

Prevented Planting Payment Calculation							
Crop/Unit	**Acres**	**x**	**$ PP Guarantee**	**x**	**Share***	**=**	**PP Payment**
Soybean – 0001-0003OU	15.0	x	$123.75	x	1.000	=	$1,856.25
Grain Sorghum - 0001-0002OU	5.0	x	$58.50	x	1.000	=	$292.50
Wheat – 0001-0003OU	5.0	x	$40.50	x	1.000	=	$202.50
Total	25.0						$2,351.25

* Share will be the same as unit 001-0001OU corn.

The actual PP claim for grain sorghum for the 7 acres in this unit will be the share reported for this grain sorghum unit (i.e. .750). This would require two separate lines on the claim form and the revised acreage report to show the two separate shares; i.e., the .750 share for the 7.0 acres of PP grain sorghum, and the 5.0 acres of grain sorghum eligible acres used for the corn PP acres at 1.000 share.

(b) **EXAMPLE 2 –** The insured is claiming 155.0 acres PP for pinto beans on unit 0001-0001OU.

The insured has 50.0 maximum eligible PP acres of history for pinto beans on all units of dry beans in the county. However, the insured has other insured dry bean types, as well as other crops, in the county that have remaining eligible acreage.

Since the 155.0 acres claimed for PP exceed the 50 maximum eligible PP acres for pinto beans, the remaining 105.0 acres must be paid based on the remaining eligible acres from another dry bean type(s) and other crops.

Eligible PP Acres and PP Dollar Guarantee			
Crop	**Unit**	**Eligible PP Acres**	**$ Per Acre PP Guarantee**
Pinto Beans	0001-0001OU	50 Acres	$81.00
Cranberry Beans	0001-0003OU	30 Acres	$85.00
Navy Beans	0001-0002OU	25 Acres	$66.00
Wheat	0001-0001OU	25 Acres	$40.00
Soybeans	0001-0002OU	25 Acres	$124.00
Total		155.0 Acres	

Acres from the dry bean types must be used first. In this situation, the first crop used will be 50 acres of Pinto beans.

Once the 50 acres of pinto bean history has been exhausted, you must next use the 30 acres of the cranberry bean history. The $85.00 per-acre PP guarantee for cranberry beans is the closest to the $81.00 per-acre PP guarantee for pinto beans, but would result in a higher PP payment than pinto beans. Therefore, the pinto beans will be used to make the PP payment, using the 30 acres of PP eligibility from cranberry beans.

You must next use the 25 acres of the navy bean history to exhaust PP eligible acres for the dry bean crop since the $66.00 per-acre PP guarantee for navy beans is the closest to the $81.00 per-acre PP guarantee for pinto beans. The PP payment for the navy beans would result in a lower PP payment than pinto beans. Therefore, the navy beans will be used to make the PP payment, using the 25 acres of PP eligibility from the navy beans.

The next most similar PP payment to the navy bean PP payment is the 25 acres of eligibility for wheat. The $40.00 per-acre PP guarantee for wheat is the closest to the $66.00 per-acre PP guarantee for navy beans. Since the wheat would result in the lowest PP payment, the wheat will be used to make the PP payment, using the 25 acres of PP eligibility from the wheat.

Soybeans is the only remaining crop with eligible acres. The $66.00 per-acre PP guarantee for the navy beans would result in a lower PP payment than the $124.00 per-acre PP guarantee for soybeans. Therefore, the navy beans will be used to make the PP payment, using the 25 acres of PP eligibility from the soybeans.

(c) **EXAMPLE 3 -** Same situation as in (b) above except the insured has planted 25 acres of navy beans and 30 acres of cranberry beans. No types of dry beans have remaining eligible PP acres.

However, the insured does have unit 0001-0001OU wheat and unit 0001-0002OU soybeans that each has 25.0 acres of remaining eligible acres. The crop/unit having the most similar payment to the pinto beans will be compared to what the pinto bean PP payment would be.

The wheat would have a per-acre PP payment of $40.00 and the soybeans would have a per-acre PP payment of $124.00. The $40.00 per-acre guarantee for wheat is the closest to the $81.00 per acre dollar guarantee for pinto beans, and results in a lower payment than pinto beans.

Therefore, the PP payment and premium for the 25.0 PP acres of pinto beans prevented from planting will paid as wheat per acre.

Prevented Planting Payment Calculation							
Crop/Unit	**Acres**	**x**	**$ PP Guarantee**	**x**	**Share***	**=**	**Indemnity**
Wheat – 0001-0001OU	25.0	x	$40.00	x	1.000	=	$1000.00

(d) **EXAMPLE 4 –** The insured is claiming 75.0 acres PP for soybeans on unit 0001-0001OU.

The insured has 50.0 maximum eligible PP acres history for soybeans. Since the 75 acres claimed for PP exceed the 50 maximum eligible PP acres for soybeans, the remaining 25 acres must be paid based on the remaining eligible PP acres from another crop.

Eligible PP Acres by Crop and Per Acre Guarantee			
Crop	**Unit**	**Eligible PP Acres**	**$ Per Acre PP Guarantee**
Soybeans	0001-0001OU	50 Acres	$60.00
Wheat	0001-0002OU	25 Acres	$40.00
Corn	0001-0003OU	25 Acres	$80.00

The adjuster must first determine which crop with remaining eligible PP acres would have a PP payment most similar to soybeans.

The $40.00 per-acre PP guarantee for wheat and the $80.00 per-acre PP guarantee for corn are an equal amount above and below the $60.00 per-acre PP guarantee for soybeans. In this situation, remaining eligible PP acres from the crop with the higher payment will be used first. In this case, corn will be used.

Next, the adjuster must compare the PP payment for soybeans to the PP payment for corn. Since the $60.00 per-acre PP guarantee for soybeans results in a lower payment than the $80.00 per-acre PP guarantee for corn, the PP payment and premium for the 25.0 PP acres of soybeans prevented from planting will be paid as soybeans, using the 25 acres of PP eligibility from the corn.

(e) **EXAMPLE 5 -** The insured turns in a Durum wheat PP claim. The insured has a total of 825 eligible PP acres for all crops. The insured has 710 eligible PP acres for Durum, and he plants all 710 acres to durum. He intended to plant all 825 acres to durum but was prevented from planting 115 acres.

Eligible PP Acres by Crop and Per Acre Guarantee			
Crop	**Unit**	**Eligible PP Acres**	**$ Per Acre PP Guarantee**
Durum Wheat	0001-0001OU	710 Acres	$244.00
Mustard	0001-0002OU	200 Acres	$76.00
Lentils	0001-0003OU	200 Acres	$137.00

The insured has history of planting mustard and lentils in the past four years. Durum was the only crop the insured planted in 2011. Since the insured has no remaining eligible PP acres for wheat, the eligible acres from lentils and mustard must be used.

The insured does not have a mustard contract this year and must have one to be able to insure the mustard. This was the insured's own choice because he was intending to plant all of his acreage to durum. The eligible acres for the mustard that is in the insured's database can be used even though there was no contract in effect with a processor. The last processor mustard contract price per acre will be used to determine what the PP payment for mustard would have been.

The projected price per acre for lentils will be used to determine what the PP payment for lentils would have been.

The crop/unit having the most similar payment to the Durum will be compared to what the Durum PP payment would be. Whichever crop's PP payment is the closest to the Durum payment will be the crop/unit used to make the PP payment for Durum.

The lentils would have a per-acre PP payment of $137.00 and the Mustard would have a per-acre PP payment of $76.00. The $137.00 per-acre guarantee for lentils is the closest to the $244.00 per acre dollar guarantee for Durum.

The PP payment for each of these crops will be compared to what the PP payment for wheat would have been. The remaining acres from each of these crops will be used to make the PP payments.

If the PP wheat was lower than lentils or mustard, then the PP payment for wheat will be used to process the PP payment using the mustard and lentil acres. If either of these crops had a lower payment then the wheat, then the wheat PP payment will be processed under those crops

Prevented Planting Payment Calculation							
Crop/Unit	**Acres**	**x**	**$ PP Guarantee**	**x**	**Share***	**=**	**Indemnity**
Lentils– 0001-0002OU	115.0	x	$137.00	x	1.000	=	$15,755.00

(f) The insured turned in a PP claim for 225 acres of irrigated (IRR) corn. The insured had irrigation facilities in place to irrigate 100 acres. However, the insured only has history for 100 acres of corn, of which 50 are irrigated and 50 are non-irrigated (NI).

The insured has the following eligible PP acres remaining:

Crop	**Unit**	**Eligible PP Acres Remaining**	**$ Per Acre PP Guarantee**
Corn - IRR	0001-0001OU	50 Acres	$150.00
Corn - NI	0001-0002OU	50 Acres	$80.00
Soybeans - IRR	0001-0003OU	50 Acres	$100.00
Soybeans - NI	0001-0004OU	50 Acres	$60.00
Spring Wheat – IRR	0001-0002OU	25 Acres	$70.00
Total		225 acres	

The insured has a history of planting both the 50 acres of irrigated corn and 50 acres of irrigated soybeans within the same crop year, but does not have a history of planting 25 acres of irrigated wheat within the same crop year that the irrigated corn and irrigated soybeans are planted. As such, the insured has only 100 acres which can be paid PP on an IRR basis due to both their planting history and irrigation facilities in place.

The PP payment will be made as follows:

IRR corn acres would be used first (paid as IRR corn), followed by NI corn acres (paid as NI corn) to exhaust all eligible corn acres. Since there are still 50 eligible IRR PP acres available, the payment of the next crop to be rolled to is compared to the IRR corn payment. IRR soybeans has the closest payment to IRR corn, so the 50 remaining eligible IRR soybean acres are used next (paid as IRR soybeans), which exhausts all remaining IRR eligibility. Crops to be rolled to for the remaining 75 acres will be compared to NI corn. Of the remaining crops with eligible acres, IRR wheat is the crop with the closest payment to NI corn. However, because we cannot pay PP on any additional IRR acres, a NI PP database would have to be set up for wheat. The PP guarantee for the NI wheat is $40 per acre.

Since the NI wheat payment is less than the NI soybean payment, the next most similar PP payment to the NI corn PP payment is the 50 acres of NI soybeans. The PP payment will be paid as NI soybeans since it results in a lower payment than NI corn.

The only remaining 25 acres is NI wheat. Since the PP payment for NI wheat is lower than the PP payment for NI corn, the PP payment will be paid as NI wheat.

(g) **EXAMPLE 7** –Same scenario as in **Example 6** except the insured had irrigation facilities in place to irrigate 225 acres and does have a history of planting corn, soybeans, and wheat within the same crop year. As such, the insured has only 125 acres which can be paid PP on an IRR basis. The other 100 acres for which the insured had irrigation facilities in place was used to irrigate uninsurable and uninsured crops.

The PP payment will be made as follows:

Crop	**Unit**	**Eligible PP Acres Remaining**	**$ Per Acre PP Guarantee**
Corn - IRR	0001-0001OU	50 Acres	$150.00
Corn - NI	0001-0002OU	50 Acres	$80.00
Soybeans - IRR	0001-0003OU	50 Acres	$100.00
Soybeans - NI	0001-0004OU	50 Acres	$60.00
Spring Wheat – IRR	0001-0002OU	25 Acres	$70.00
Total		225 acres	

IRR corn acres would be used first (paid as IRR corn), followed by NI corn acres (paid as NI corn) to exhaust all eligible corn acres. Since there are still 75 eligible IRR PP acres available, the payment of the next crop to be rolled to is compared to the IRR corn payment, which would be the 50 acres of irrigated soybeans (paid as IRR soybeans since it is lower than the IRR corn). The only remaining IRR crop to compare to the IRR corn is 25 acres of IRR wheat (paid as IRR wheat since it is lower than the IRR corn). This exhausts all IRR PP eligible acres. The only remaining acres is the 50 acres of the NI soybeans (paid as NI soybeans) since the insured is limited to 125 IRR acres.