United States Department of Agriculture

Federal Crop Insurance Corporation

Risk Management Agency

Product Administration and Standards Division

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FCIC-25370-1 (08-2011)
FCIC-25370-2 (02-2012)
FCIC-25370-3 (08-2012)

PREVENTED PLANTING LOSS ADJUSTMENT STANDARDS HANDBOOK

2013 and Succeeding Crop Years

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

TITLE: PREVENTED PLANTING LOSS ADJUSTMENT STANDARDS HANDBOOK	**NUMBER: FCIC-25370 (11-2010) FCIC-25370-1 (08-2011) FCIC-25370-2 (02-2012) FCIC-25370-3 (08-2012)**
EFFECTIVE DATE: 2013 Succeeding Crop Years	**ISSUE DATE: August 30, 2012**
SUBJECT:	**OPI: Product Administration and Standards Division**
Provides the procedures and instructions for administering the Prevented Planting Provisions	**APPROVED: August 30, 2012 /s/ Tim B. Witt, Deputy Administrator for Product Management**

REASONS FOR AMENDMENT

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

The FADs in the Handbook have not been slipsheeted since the November 2010, issuance. For more current FADs, go to www.rma.usda.gov. On the left-hand side of the RMA website, click on "Laws and Regulations," then click on "Final Agency Determinations." For FADs issued in previous calendar year, click on the "Archive."

1. **Section 4 D (3), pg. 18** – Clarified that when a policy is transferred to another AIP, and the transfer application has the same optional PP coverage election as the previous policy, it is not considered an increase in PP coverage.

2. **Section 4 E, pg. 19 –** Revised the PP guarantee for onions to reflect that it is now 35 percent of the final stage of the insured's timely-planted production guarantee, in accordance with the 2013 Onion Crop Insurance Provisions.

3. **Section 4 E, pg. 19 –** Added at the bottom of the table that when the NI corners of a center pivot irrigation system are considered IRR and qualify for PP, the approved IRR APH yield is used to calculate the PP production guarantee for the entire field (including the NI corners).

4. **Section 4 F (1) (c) 5, pg. 20 –** Revised language to agree with the statement that is also used in the Special Provisions for areas of the prairie pothole region of the country.

5. **Section 4 F (2) (b), pg. 21** – Added a second paragraph to clarify that any applicable transfer of APH data or use of another producer's history is also inclusive of the insured's maximum eligible PP acreage. Also, formatted the first paragraph and second subparagraph as (a) and (b) respectively.

6. **Section 4 F (3), pg. 22** – Corrected the third line by deleting "or B."

SUMMARY OF CHANGES/CONTROL CHART

7. **Section 4 F 11 (a), pg. 27 –** Deleted specialty type soybeans in the first paragraph. Also, added language to the second paragraph to agree with the Special Provisions statement that allow an insured to choose to use the contract price in the insured's production contract to determine the projected price and harvest price, and the applicable conditions to use this price.

8. **Section 4 F (11) (b), Example 1, pg. 27** - Removed "yield protection plan" and revised the type name to agree with the Special Provisions.

9. **Section 4 F (11) (b), Example 2, pg. 27** - Revised the type name to agree with the Special Provisions.

10 **Section 4 F (11) (b), Example 3, pg. 28** – Updated to specify specialty type <u>soybeans</u> and changed the type code and type names throughout.

11. **Section 4 F (11) (b), Example 4, pg. 28** – Revised to indicate this example is only applicable to specialty barley types. Change AO type to "All Other" type throughout the example. Also, added specific number of acres in the field.

12. **Section 4 G (1) (a) <u>1</u>, pg. 29**– Revised to indicate that for a field containing a center-pivot irrigation system that if the insured **did not qualify** for optional units for the non-irrigated corners of the field, and the insured established only an irrigated APH yield using the production records from the irrigated and non-irrigated acreage for the field, then all acres in the field would be considered as an irrigated practice.

13. **Section 4 G (11) (b), pg. 31** – Revised the content to indicate that the once the eligible PP acres with of a crop with multiple types has been exhausted, acreage borrowed from another crop will be first based on the crop having the closest PP payment to the crop type claimed as PP. Likewise, revised the PP payment and premium will be based on the crop or crop type rolled to if the crop or crop type rolled to results in a lower PP payment.

14. **Section 4 H (5), pg. 33** – Indicated in an example that PP acreage would not be insurable if a cover crop was not terminated by date (termination date) or crop stage specified in the SP, unless an insured cause of loss had prevented the cover crop from being terminated by the termination date or crop stage, as applicable.

15. **Section 4 K (2) (a), pg. 35** – Added "unless the insured meets all the requirements in section 4 I (1) and (2) above."

16. **Section 5 A (2) (a), pg. 37** – Corrected the item number to agree with standard formatting and accordingly changed reference numbers. Also added an example to clarify.

17. **Section 5 A (2) (b), pg. 37** – Created subparagraph (b) from part of the preceding paragraph and added after "e.g. wheat," the following verbiage: "and may still retain eligibility for a PP payment." Also, added an Example to clarify.

18. **Section 5 C (1), pg. 40** – Deleted the first sentence.

SUMMARY OF CHANGES/CONTROL CHART

19. **Section 5 C (3) (b) 3, pg. 42** – Added to the allocation procedures of double-cropped-acreage production that was not kept separate from non-double cropped acreage, the following: "AIPs may divide total production by total acres to allocate commingled production for the following situations: liability per acre is the same for the crop on the acreage that was and was not double cropped, the crop was not insured or was not an insurable crop, or liability is not known or is not readily available to be obtained (e.g., year in question is 10 or 11 years ago and was insured with different AIP)."

20. **Section 7 D (1) (a), pg. 49 –** Added clarification for the SCD when both fall-seeded and spring-seeded crop are insured on the policy.

21. **Section 7 D (2), step 2 and 3, pg. 50 –** Removed percentage in step 2 to show only a 4-place factor and provided instructions for such. Added 4-place factor in step 3 and also indicated to round the results to whole acres.

22. **Section 7 D (3), pg. 50 -** Revised to show 3-place factor to be consistent with other examples in the PP LASH for this calculation.

23. **Section 7 I (5), pg. 56** – Added an example of when a revised acreage report would be required.

24. **Section 10 A, pg. 58** – Revised the percentage of the timely planted production guarantee for onions to determine the PP guarantee to agree with the 2013 Onion Crop Insurance Provisions.

25. **Section 10 I, pg. 68** – Deleted the last sentence because it is not necessary considering the "unless statement" in the first sentence.

26. **Section 11 E (5) (c), pg. 78** –Clarified this subsection.

27. **Section 11 (10) (b), pg. 81** – Revised to show pinto beans was the dry bean type claimed as PP and is to be used to compare to other crops used to determine which crop results in the most similar payment.

28. **Section 11 (10) (c), pg. 82** – Added all crops involved to the table to clarify the scenario.

SUMMARY OF CHANGES/CONTROL CHART

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		17-22		08-2011	FCIC-25370-1
			27-28		08-2011	FCIC-25370-1
			29-30		11-2010	FCIC-25370
			31-32		02-2012	FCIC-25370-2
			33-34		08-2011	FCIC-25370-1
			35-36		11-2010	FCIC-25370
			37-38		08-2011	FCIC-25370-1
			39-40		11-2010	FCIC-25370
			41-42		08-2011	FCIC-25370-1
			49-50		11-2010	FCIC-25370
			55-58		11-2010	FCIC-25370
			67-68		11-2010	FCIC-25370
			77-88.2		08-2011	FCIC-25370-1
Insert	1-6		17-22		08-2012	FCIC-25370-3
			27-28		08-2012	FCIC-25370-3
			29-30		08-2012	FCIC-25370-3
			31-32		08-2012	FCIC-25370-3
			33-34		08-2012	FCIC-25370-3
			35-36		08-2012	FCIC-25370-3
			37-38		08-2012	FCIC-25370-3
			39-40		08-2012	FCIC-25370-3
			41-42		08-2012	FCIC-25370-3
			49-50		08-2012	FCIC-25370-3
			55-58		08-2012	FCIC-25370-3
			67-68		08-2012	FCIC-25370-3
			77-88.4		08-2012	FCIC-25370-3

(Control Chart Continued on next page)

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Control Chart For: Prevented Planting Loss Adjustment Standards Handbook						
	SC Page(s)	**TC Page(s)**	**Text Page(s)**	**Reference Material**	**Date**	**Directive Number**
Current	1-6				08-2012	FCIC-25370-3
Index		1-4			11-2010	FCIC-25370
			1-2		08-2011	FCIC-25370-1
			3-4		11-2010	FCIC-25370
			5-14		08-2011	FCIC-25370-1
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			29-44		11-2010	FCIC-25370
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			49-50		11-2010	FCIC-25370
			51-54		08-2012	FCIC-25370-3
			55-58		11-2010	FCIC-25370
			59-60		08-2011	FCIC-25370-1
			61-62		10-2010	FCIC-25370
			63-66		11-2010	FCIC-25370
			67-68		08-2012	FCIC-25370-2
			69-74		11-2010	FCIC-25370
			75-76		08-2011	FCIC-25370-1
			77-82.4		08-2012	FCIC-25370-3
			83-84	85-129	11-2010	FCIC-25370

(RESERVED)

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. When a policy is transferred to another AIP, and the transfer application has the same optional PP coverage election as the previous policy, it is not considered an increase in PP coverage.

E. PRODUCTION GUARANTEES

If acreage is prevented from planting to the following insured crop . . .	And the insured elected CAT COVERAGE then the PP guarantee is . . .	And the insured elected ADDITIONAL COVERAGE then the PP 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.
***	***	***
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.
Onions[3/] and 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).

When the NI corners of a center pivot irrigation system are considered IRR and qualify for PP, the approved IRR APH yield is used to calculate the PP production guarantee for the entire field (including the NI corners).

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 is normally too wet to plant in the spring may be dry enough to till or plant and even insure 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.

(a) 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.

(b) Maximum PP eligible acreage is inclusive of any applicable transfer of APH history and use of another producer's history. Refer to Section 13 B of the CIH for procedures applicable to acceptable transfers of APH history and use of another producer's history.

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

(3) Maximum eligible acreage for each insured crop.

<table>
<tr><th>TYPE OF CROP:</th><th>Eligible acres if, in any <u>one or more of the 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:</th></tr>
<tr><td>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</td><td>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 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.</td></tr>
<tr><td colspan="2">[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.</td></tr>
</table>

(11) Specialty Type Barley and Specialty Type Soybeans

*** (a) For specialty type barley insured under yield protection, PP payments can be made based on the contract price, when the policyholder provides an acceptable contract by the acreage reporting date.

(b) For specialty type soybeans only: (1) The insured may elect to use the price contained in the production contract (contract price) to determine the projected price and harvest price, as applicable, for each specialty type only if the total number of insured acres of the specialty type does not exceed 110 percent of insured specialty type acreage under the contract; and (2) 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.

(c) Eligible acres for PP payments are determined in the same manner as for other crops with specific types. Since specialty type 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.

(d) Examples

Example 1*:* A policyholder with no previous history of growing specialty type
*** soybeans intends to plant and insure LSFG type soybeans using a contract price, but is prevented from planting this type. The policyholder has a history of growing commodity 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 commodity 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 specialty type soybeans. There are a total of 300 eligible acres of commodity type soybeans 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 commodity type.

Example 3: In 2012, the policyholder planted 900 acres of a specialty type soybean and was paid PP on 200 acres. The acreage report for 2012 shows PP acres for commodity type (091) 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 soybean acres in the previous year and is therefore eligible for 900 PP acres of the specialty type for the 2013 crop year. If the policyholder can prove the 200 PP acres were intended to be specialty type soybeans (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 commodity type (900 eligible acres of the specialty type and 200 eligible acres of the commodity type).

Example 4: **(Applicable only to specialty barley types):** A policyholder has revenue protection for the All Other type barley and yield protection for a specialty type barley in 2013. The revenue protection has a unit with 100 acres planted to All Other type. The yield protection has a unit with 50 acres planted to a specialty-type barley. Both types are planted in the same 165 acre field. 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 barley or the All Other 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 All Other type, the acreage would not qualify for a PP payment because the 20/20 rule for the 115 acre unit of the All Other 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,

or followed both practices in the same field in the same crop year[1/] within any of the 4 most recent crop years[1]; **Example:** The field is 160 acres of wheat but only 120 acres have irrigation facilities (e.g., center-pivot irrigation system) available to irrigate the field. If the insured has established an APH yield for an irrigated and non-irrigated wheat practice and production records have been kept separate, only the 120 irrigated acres of the field can be claimed as an irrigated practice. However, if the insured **did not qualify** for optional units for the non-irrigated corners of the field, and the insured established only an irrigated APH yield using the production records from the irrigated and non-irrigated acreage for the field, then all 160 acres would be considered as an irrigated practice.

2 The insured was prevented from planting a first insured crop, and a second crop was planted in the same field (There can only be one first insured crop in a field unless the requirements in subsection (a) 1 or 3 are met); or

3 The insured crop planted in the field would not have been planted on the remaining PP acreage; e.g., where rotation requirements would not be met or the insured already planted the total number of acres specified in the processor contract; **Example**: The insured's sugar beet contract is for 100 acres and all 100 acres of sugar beets are planted into a 160 acre field. Since the insured could not continue to plant sugar beets because of the limitation of 100 acres in the sugar beet contract, the remaining 60 acres of land in the field are eligible for a PP payment as a separate crop, provided all other PP eligibility requirements are met.

(b) If an insured claims irrigated PP acreage for a crop, the insured cannot plant the same crop as a NI practice and collect PP on the irrigated practice even when the insured's eligibility for irrigated acres has been reduced due to a progressive drought; e. g., the insured's cropland[2] acres consists of 100 acres, which is contained within one field. The insured has irrigated corn history on the 100 acres. However, due to the progressive drought, the insured's eligible irrigated PP corn acres have been reduced to 90 acres. If the insured plants 10 acres of non-irrigated corn, the whole field would be considered non-irrigated corn and the PP payment would have to be based on a non-irrigated corn practice rather than irrigated corn.

(2) For which the actuarial documents do not provide the information needed to determine a premium rate unless a written agreement designates such premium rate;

(3) Used for conservation purposes or intended to be left unplanted under any program administered by the USDA or other government agency, or required to be left unharvested under the terms of the lease or any other agreement (The number of acres eligible for PP under the terms of the lease or any other agreement (The number of acres eligible for PP will be limited to the number of acres specified in the lease for which the insured is required to pay either cash or share rent);

[1] crop year as defined in the applicable crop provisions
[2] Cropland for insurance purposes is only land that is available for planting

(4) On which the insured crop is prevented from being planted, if the insured or any other person receives a PP payment for any crop for the same acreage in the same crop year[1], excluding share arrangements, **unless ALL of the criteria for double cropping in section 5 C is met;**

(5) On which the insured crop is prevented from being planted, if:

(a) Any crop is planted within or prior to the LPP (or on or prior to the FPD if no LPP is applicable) for the same crop year, unless:

1 the insured meets the double cropping requirements (as stated in Section 5 C);

2 the crop planted is a cover crop; or

3 no benefit, including benefit under any USDA program was derived from the crop; OR

(b) Any volunteer or cover crop is hayed, grazed, or otherwise harvested within or prior to the LPP (or on or prior to the FPD if a LPP does not apply) for the PP crop for the same crop year. For more information on cover crops, see section 4 K. Also, see section 5 A (1) (c) for cover crops;

(6) For which planting history or conservation plans indicate that the acreage would have remained fallow for crop rotation purposes or on which any pasture or forage crop is in place on the acreage during the time planting of the insured crop generally occurs in the area. Cover crops that are seeded, transplanted, or that volunteer:

(a) More than 12 months prior to the FPD for the insured crop that was prevented from being planted will be considered pasture or a forage crop that is in place (e.g., the cover crop is planted 15 months prior to the FPD and remains in place during the time the insured crop would normally be planted); or

(b) Less than 12 months prior to the FPD for the insured crop that was prevented from being planted will not be considered pasture or a forage crop that is in place;

Also refer to section 4 I regarding pasture or forage.

(7) That exceeds the number of acres eligible for a PP payment;

(8) That exceeds the number of eligible acres physically available for planting (also refer to section 4 F (1) for clarification of physically available for planting).

(9) For which the insured cannot provide proof that he/she had inputs (including, but not limited to sufficient equipment and manpower) available to plant and produce a crop with the expectation of producing at least the yield used to determine the insured production guarantee or amount of insurance. Evidence that the insured previously had planted the crop on the unit will be considered adequate proof unless:

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

(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 with remaining PP eligibility will be used. Acres used first will be from the insured crop
*** that has the closest PP payment to the crop type claimed as PP (the PP payment and premium will be based on the crop or crop type rolled to if the crop or crop type rolled to results in a lower PP payment) and subsequent acres used will continue on in descending order by per-acre PP guarantee. This ensures a policyholder will not be
*** paid a higher payment than the crop or crop type claimed as PP 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 dry bean crop claimed as PP. 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 (navy 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 results in a lower payment than the kidney beans). This is then followed by the crop with the most similar payment to kidney 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 kidney beans). The remaining 25 acres claimed as PP dark 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 kidney beans 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 crop being claimed is soybeans. The soybean SP requires that a cover crop be terminated by a certain crop stage or date. Soybeans would not be insurable and PP coverage would not be available if the cover crop was not terminated by that date or crop stage specified in the SP unless an insured cause in the PP period prevented the insured from being able to terminate the cover crop by the date or crop stage specified in the SP. If there was no insured cause that prevented the cover crop from being terminated by the specified crop stage or termination date, there would not be an insurable cause that prevented soybeans from being planted and PP coverage would not be provided).

I. <u>PP COVERAGE WHEN THERE IS PASTURE OR FORAGE</u>

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, the acreage may be considered eligible for PP coverage 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:

<u>1</u> 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 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.

weather killed or prevented the spring-planted crop from ever maturing and being harvested timely (AIP granted additional time to harvest the crop) but subsequent adverse weather prevented field preparation and/or planting a spring crop (e.g., 2011 canola) by the FPD for the next crop year.

K. ACCEPTABLE COVER CROPS

(1) A cover crop is defined as: "A crop generally recognized by agricultural experts as agronomically sound for the area for erosion control or other purposes related to conservation or soil improvement."

(2) For insurance purposes the following will not be considered acceptable cover crops:

(a) Volunteer or cover plants that were seeded, transplanted, or that volunteer earlier than 12 months prior to the FPD for the insured PP crop and that remains in place during the time planting of the insured crop is general in the area.; or

EXAMPLE: The insured had 2011 PP corn, and on July 1, 2011, the insured planted a cover crop that remains in place throughout 2012 and during the time corn would generally be planted in the area for the 2013 crop year. Due to excess moisture, the insured claims prevented planting corn in 2013. Since the plants were seeded, transplanted, or volunteered more than 12 months prior to the 2013 corn FPD they would be considered a crop in place (established), and the insured would not be eligible for a PP payment unless the insured meets all the requirements in section 4 I (1) and (2) above.

(b) A crop claimed as a cover crop that is enrolled and covered under NAP. Refer to Section 5 A (1) (b) and the clarification that follows that subsection.

(3) When the cover crop planted is a crop that is commonly planted for silage, grazing, etc., in the area or for the type of farming operation the insured has (e.g. dairy operation), the adjuster must use extra caution in verifying whether the insured's intent was to plant the crop claimed as a cover crop or the crop claimed as being prevented from planting. Items that may be verified include but are not limited to:

(a) That the insured has the inputs to plant the crop claimed as PP;

(b) That the insured has a history of planting the cover crop for hay, silage, grazing, etc.; and

(c) Whether the insured certified acreage at FSA this crop year and if so, what use is shown for the acreage in question. Refer to Section 5 below for more information pertaining to how haying, grazing, or otherwise harvesting a cover crop planted on the same PP acreage may affect the PP payment.

5. PP PAYMENT REDUCTION DUE TO SECOND CROP, COVER CROP, OR VOLUNTEER CROP

In accordance with the Agricultural Risk Protection Act of 2000, Section 508a of the Federal Crop Insurance Act was amended and subsequently the Basic Provisions were amended to limit prevented planting payments when a second crop is planted on the same acreage in the same crop year, except as allowed for acreage that qualifies for double-cropped acreage, as defined in the Basic Provisions.

A. FIRST INSURED CROP PREVENTED FROM BEING PLANTED AND SECOND CROP

(1) Definitions.

(a) **First Insured Crop** – With respect to a single crop year and any specific crop acreage, the first instance that an agricultural commodity is planted for harvest or prevented from being planted and is insured under the authority of the Act. For example, if winter wheat that is not insured is planted on acreage that is later planted to soybeans that are insured, the first insured crop would be soybeans. If the winter wheat was insured, it would be the first insured crop.

(b) **Second Crop** – With respect to a single crop year, the next occurrence of planting any agricultural commodity for harvest following a first insured crop on the same acreage. The second crop may be the same or a different agricultural commodity as the first insured crop, except the term does not include a replanted crop. A cover crop, planted after a first insured crop (for PP after the FPD for the PP crop (LPP, if applicable)) and planted for the purpose of haying, grazing, or otherwise harvesting in any manner; or that is hayed or grazed prior to November 1 (which generally would be when crops in the area would normally be harvested), or otherwise harvested at any time, is considered a second crop. A cover crop that is covered by FSA's noninsured crop disaster assistance program (NAP) or receives other USDA benefits associated with forage crops will be considered as planted for the purpose of haying, grazing, or otherwise harvesting. A crop meeting the conditions stated herein will be considered to be a second crop regardless of whether or not it is insured. Notwithstanding the references to haying and grazing as harvesting as stated within the Basic Provisions and above, for the purpose of determining the end of the insurance period, harvest of the crop will be as defined in the applicable crop provisions.

CLARIFICATION of "A cover crop that is covered by FSA's noninsured crop disaster assistance program NAP . . ."as stated in the definition above: "Covered" means the producer has NAP coverage for the crop planted on the PP acreage. FSA has clarified that crops intended for cover crops cannot be covered under NAP. Insureds must certify to the usage of the crop when they certify their acres at FSA. If their acres are certified as a cover crop (i.e., not haying, grazing, or otherwise harvesting), such acreage is ineligible for coverage under NAP. If the producer has signed the crop up for NAP and certifies the acreage at FSA as intended for haying, grazing or harvest; then it would be: (1) covered under NAP and would be considered a second crop, and (2) the (first insured crop) PP payment is limited to

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.

(2) Cover Crop and/or Volunteer Crop

(a) 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, unless (c) applies. **Example:** The insured plants a cover crop in the fall of 2012, terminates the cover crop prior to the final planting date for 2013 corn (and prior to any crop stage or date specified in SP, if applicable), but subsequently is prevented from planting 2013 corn. The insured would be eligible for PP corn provided all other PP requirements are met.

(b) The cover crop may be the crop prevented from planting (e.g., wheat), and may still retain eligibility for a PP payment, provided it is planted at the seeding-rate recommended by agricultural experts for the cover crop (and is not planted for harvest as grain). **Example:** the insured was prevented from planting wheat by the FPD, but prior to the end of the LPP, the insured plants wheat as a cover crop to prevent soil erosion (seeding rate, fertilization, etc., consistent for a wheat cover crop) and does not hay, graze or otherwise harvest the cover crop.

(c) 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.

(d) 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.

(e) 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.

(f) 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.

(g) 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.

(3) 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.

B. ADDITIONAL INFORMATION REGARDING REDUCTION IN PP PAYMENTS DUE TO SECOND CROP, COVER CROP, OR VOLUNTEER CROP

In addition to the insured planting a second crop (or cover crop when the cover crop is not considered a second crop; see section 5 A (1) above), except in the case of double cropping as described in subsection C below, the following applies:

(1) If another person plants a second crop on any of the PP acreage (first insured crop) after the LPP (FPD if the LPP is not applicable) for the PP crop, then the PP payment will be 35% of the PP payment due for such acreage.

(2) If a volunteer crop or cover crop is hayed or grazed (by insured or another person) from the PP acreage (first insured crop), AFTER the LPP (or after the FPD if a LPP is not applicable) for the PP crop but prior to November 1, the insured is limited to only 35% of the PP payment for such acreage.

(3) When a cover crop planted prior to the FPD (or prior to the end of the LPP, if LPP is applicable) is hayed or grazed, refer to 5 A (1) (c) above.

(4) The PP payment will be limited to 35% of the PP payment due if a cover crop or volunteer crop is swathed or windrowed after the end of the LPP (FPD if no LPP is applicable), but prior to November 1. (If swathed or windrowed prior to the end of the LPP (on or prior to FPD, if no LPP is applicable), no PP payment will be made.)

(5) First insured crop acreage (PP acreage) cash rented

(a) If the insured receives or will receive cash rent for use of the PP acreage (first insured crop), the insured is limited to only 35% of the PP payment due for such acreage.

(b) Cash rent, as used in this subsection means cash renting for agricultural use (growing a crop, haying, grazing, etc.) This does not apply when the acreage is cash rented for a non-agricultural use; e.g., hunting**.**

(c) A crop planted, following first insured crop PP acreage, by the person cash renting the acreage is considered the second crop for both the person having the first insured crop and for the person that cash rented the acreage and planted a crop on this acreage.

(d) If the first insured crop acreage (PP acreage) is not owned by the insured of the first insured crop acreage and the PP acreage is cash leased by the landlord to another person, the PP payment is limited to 35% of the PP payment due, if after the LPP (FPD if no LPP applies) for the PP crop, the other person cash renting the acreage:

1 Plants a second crop on the PP acreage;

2 Hays or grazes a cover crop or volunteer crop from the PP acreage prior to November 1; or

3 Harvests (for other than haying or grazing) at anytime a volunteer or cover crop from the PP acreage.

(6) First insured crop acreage (PP acreage) share rented

If the first insured crop acreage (PP acreage) is share rented to another person, the PP payment will be limited to 35% of the PP payment due if 1, 2, or 3 of (5) (d) above applies.

C. PP PAYMENT AS IT RELATES TO DOUBLE-CROPPING HISTORY

*** (1) The insured may receive a full PP payment in the following situations IF ALL of the double cropping qualifications are met, as stated in section 5 C (2), and the:

(a) First insured crop was PP and the second crop is planted on the same acreage in the same crop year, regardless of whether or not the second crop is insured or sustains an insurable loss;

(b) First insured crop was PP and the subsequent insured crop is prevented from being planted on the same acreage in the same crop year (cannot call the subsequent PP crop a second crop since it is not a planted crop; refer to definition of second crop);

(c) First insured crop is planted and the subsequent insured crop is prevented from being planted on the same acreage in the same crop year (cannot call the subsequent PP crop a second crop since it is not a planted crop); refer to definition of second crop); and

(d) The first planted crop for the crop year is uninsured but insurance is available for the uninsured crop (refer to footnote in (2) (b) below) and a subsequent insured crop is prevented from being planted on the same acreage in the same crop year (the PP crop would be the first insured crop);

(2) Double Cropping Criteria

IF all of the following conditions are met, the insured qualifies for double cropping history:

(a) It is a practice that is generally recognized by agricultural experts or the organic agricultural experts in the area to plant the insured crop for harvest following harvest of the **first insured crop**;

(b) Additional coverage insurance offered under the authority of the Act is available in the county for two or more crops that are double cropped (insured is not required to have additional coverage to qualify [1/]);

[1/] The two crops claimed as qualifying double-cropped acreage for the current crop year, must both be "insurable" in the current crop year in order to qualify as double-cropped acreage; i.e., insurance offered under the authority of the ACT is AVAILABLE in the county for both crops. Available means that a Federal crop insurance program is offered for the insured crop in the county by either having: (1) actuarial documents on file for the crop in the county (crop not required to be insured), or (2) if no actuarial documents are on file for the crop in the county, the crop is insured via a written agreement.

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 production 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 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 not planted after a first crop). Refer to paragraphs 126 and 53 of the LAM. AIPs may divide total production by total acres to allocate commingled production for the following situations: liability per acre is the same for the crop on the acreage that was and was not double cropped, the crop was not insured or was not an insurable crop, or liability is not known or is not readily available to be obtained (e.g., year in question is 10 or 11 years ago and
*** was insured with different AIP).

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 2013 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 2013 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 therefore 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 2013 crop year and plants and harvests 150 acres of 2013 winter wheat on field B. Subsequently, in the spring the insured is prevented from planting any double-crop soybeans. If the insured is paid at
*** 100% on the 150 acres of PP wheat 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 fields A or B, up to 200 acres, 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 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 2012 CROP YEAR: **PLANTED WHEAT**	**SUBSEQUENT INSURED CROP IN 2012:** **PP SOYBEANS**
HISTORY:	**HISTORY:** **All soybeans planted acreage below was harvested.**
2007 CY 100 acres of wheat harvested	2007 CY 100 acres of soybeans planted on wheat acreage.
2008 CY 200 acres of wheat harvested	2008 CY 200 acres of soybeans planted on wheat acreage.
2009 CY 0 acres of wheat planted	2009 CY 300 acres of soybeans planted
2010 CY 250 acres of wheat planted	2010 CY 250 acres of soybeans planted on wheat acreage.
2011 CY 300 acres of wheat; not harvested/not appraised.	2011 CY 300 acres of soybeans planted on wheat acreage
2012 CY 0 acres of wheat planted.	2012 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 2011 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 2013 crop year: Wheat Planted but not insured (Insurance is available for wheat in this county.) History: 2007 CY 100 acres of wheat harvested 2008 CY 200 acres of wheat harvested 2009 CY 0 acres of wheat planted 2010 CY 0 acres of wheat planted 2011 CY 300 acres of wheat; not harvested/not appraised. 2012 CY 0 acres of wheat planted.	**First insured crop for 2013:** Subsequent insured crop in the 2013 crop year is PP Soybeans and is the first insured crop. History: All soybeans acreage planted below was harvested. 2007 CY 100 acres of soybeans planted on wheat acreage. 2008 CY 200 acres of soybeans planted on wheat acreage. 2009 CY 300 acres of soybeans planted 2010 CY 250 acres of soybeans planted 2011 CY 0 acres of soybeans planted 2012 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 – 2007 and 2008, 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.

(6) This chart summarizes the effects planting a second crop and double cropping requirements have on PP payments and premiums of a first insured crop.

ACREAGE OF 1ST INSURED CROP WAS PP:			
Is a 2nd crop planted on the same acres?	Does the acreage qualify for double cropping?	Is the 2nd crop planted on or before the FPD or during the LPP of the 1ST insured crop?	Then the applicable percent of PP payment and premium for 1st insured crop is 1/:
NO	Not applicable	Not applicable	100%
YES	NO	NO	35%
YES	NO	YES	NONE
YES	YES	NO	100%
YES	YES	YES	NONE

1/ Additional restrictions may apply

(7) Limitations of Number of Double Cropped Acres

(a) The receipt of a full PP payment on both crops that are double cropped is limited to the number of acres for which the insured can demonstrate he/she has double cropped or that have been historically double cropped as specified in (1) (c) above. Ratios for increasing PP eligibility do not apply to double-cropping history. For example: If the producer has the two years of required history and double cropped 40 acres one year and 50 acres in the other, then 40 acres would qualify for the double cropping exemption.

(b) If the first insured crop is PP wheat and a second crop is planted, the insured qualifies for 200 acres of double cropping wheat based on the highest number of double cropped wheat acres in two of the last four crop years in which wheat was planted and harvested or appraised, and the insured reports 205 acres of PP wheat, the insured would only qualify to receive 100% payment on 200 acres based on the insured's double cropping history of 200 acres, and the other 5 acres would be subject to the 35% PP payment and APH reduction.

(c) If the first insured crop is planted wheat (205 acres), and the subsequent insured crop is PP soybeans (205 acres), the 5 acres would be removed from the acreage report because those acres do not qualify for a PP payment.

D. REVISED ACREAGE REPORTS DUE TO CHANGE IN STATUS OF A SECOND CROP OR DISPOSITION OF SECOND CROP ACREAGE

Changes in the status of first insured crop reductions due to the actions of the insured require a revised acreage report. Refer to Section 7 below.

E. LOSS ADJUSTMENT INVOLVING FIRST/SECOND CROP ACREAGE

(1) When the insured does not meet the double cropping requirements, the AIP may allow the insured to certify to the following at the time of the first inspection and pay 100% of the PP payment (first insured crop) due; provided the insured owns or has control of the first insured crop acreage for the rest of the crop year:

(a) A second crop will not be planted on the PP acreage;

(b) An approved cover crop or volunteer crop will not be hayed or grazed from the PP acreage prior to November 1, or harvested (for other than haying or grazing) at any time); and

(c) The PP acreage will not be cash rented to another person.

(2) If the insured is a tenant and does not have control of the land for the rest of the crop year, an insured cannot certify to the items in subsection E (1) above. However, the AIP may accept the landlord's certification to the items in E (1) above.

(3) If the AIP allows insureds to certify to the information listed in E (1) and based on this certification, the AIP pays 100% of the PP claim shortly after the first field inspection of the PP acreage, the AIP should spot check a percentage of these to verify that what the insured certified to (or the landlord certified to, if applicable) has not changed.

(4) If the AIP does not allow insureds (or a particular insured) to certify to the information in E (1), the AIP must make the first inspection as stated in Section 8 and, except when double cropping requirements have been met, will make an initial payment of 35% of the PP payment due if all other PP requirements are met.

(5) When 35% of the PP payment has initially been made, determination of whether the other 65% of the PP payment is due cannot be made until the earlier of:

(a) It is known that a cover crop or volunteer crop has been hayed or grazed prior to November 1;

(b) The insured (or the insured's landlord) certifies after November 1 that any volunteer or cover crop will not be harvested for other than haying or grazing; or

(c) The volunteer or cover crop has been plowed under or otherwise destroyed.

(6) Refer to Section 8 for field inspection procedures of the PP acreage.

(7) Refer to Section 10 for specific procedures for completing the first insured crop acreage claim (PP payment claim) when second crop acreage is involved.

D. INTENDED ACREAGE REPORT

(1) **WHEN, IN THE FOUR MOST RECENT CROP YEARS[1], AN INSURED DID NOT PLANT ANY CROP IN THE COUNTY FOR WHICH PP INSURANCE WAS AVAILABLE OR HAS NOT RECEIVED A PP INSURANCE GUARANTEE**, the insured must do the following:

Complete and submit an intended acreage report to the AIP for the purpose of establishing the potential maximum number of eligible PP acre:

(a) Prior to or on the SCD for the purpose of establishing the potential maximum number of eligible PP acres, unless the following situation applies: If both fall-seeded and spring-seeded crops are insured on the policy and there have been no planted or reported PP fall-seeded acres, this report may be submitted by the next subsequent crop(s) SCD); or

(b) Within 10 days of the time the insured acquired the acreage if on the SCD, the insured did not have any acreage in a county and subsequently acquires acreage by a method described in section 4 F (3) in time to plant the insured crop using a good farming practice.

(2) For the purpose of determining the maximum eligible number of PP acres, the total number of acres reported on the intended acreage report cannot exceed the number of acres of cropland[1/] available for planting in the insured's farming operation at the time the report is submitted.

(a) To conform with this policy provision, if the total acres submitted on the intended acreage report exceeds the number of cropland acres in the insured's farming operation, the AIP must reduce any over-reported acres on a pro-rata basis, as shown below, so the total acres do not exceed the actual acres available for planting at the time the report was submitted.

(b) Steps for prorating total acres and example when the acres on the intended acreage report exceed the cropland[1/] acres at the time the intended acreage report is submitted

Assume the cropland[1/] acres for this example is 700.0 acres

STEP 1: Total the number of acres on Intended Acreage Report.

425.0 ac – soybeans
1,000.0 ac – corn
<u>+ 575.0 ac – Dry Beans</u>
2,000.0 Total Acres (TA)

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

STEP 2 Divide the acres of each crop by the total acres reported for each crop, rounded to a 4-place factor.

***	425.0 ac. soybeans/2,000.0 TA =	.2125
***	1,000.0 ac. corn/2,000.0 TA =	.5000
***	575.0 ac. dry beans/2,000.0 TA =	.2875

STEP 3 Multiply the 4-place factor for each crop by the cropland[1/] acres available, rounded to whole acres.

soybeans - .2125 x 700.0 cropland[1/] acres = 149.0 prorated acres
corn - .5000 x 700.0 cropland[1/] acres = 350.0 acres prorated acres
dry beans- .2875 x 700.0 cropland[1/] acres = 201.0 prorated acres

STEP 4 Adjust the acres for each crop on the intended acreage report to the acre results for each crop in Step 3.

(3) If the insured acquires additional acreage after the AIP accepts the intended acreage report, the number of acres on the intended acreage report (or adjusted intended acreage report if (2) above applies) may be increased by multiplying it by the ratio of the total cropland[1/] acres that the insured is farming in the current crop year (if greater) to the number of acres listed on the intended acreage report if the insured submits proof to the AIP that for the current crop year, the insured acquired acreage by a method described in section 4 F (3) in time to plant using a good farming practice and no cause of loss has occurred at the time the insured acquired the acreage that may prevent planting.

EXAMPLE:

700 acres on the intended acreage report submitted on the SCD

200 acres are subsequently added to the insured's farming operation.

Insured notifies the AIP within 10 days after acquiring acreage and provides proof of the method he/she acquired the cropland[1/]. It is determined it was acquired in time to plant using good farming practices.

Current cropland[1/] acres divided by acres on intended acreage report (900/700 = 1.286, rounded to 3-places)

Multiply the factor (1.286) by the acres of each crop on the intended acreage report to increase the acres of each crop proportionately.

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

(5) EXAMPLES OF REQUIRED REVISED ACREAGE REPORTS FOR PP ACRES

IF...	THEN...
the insured initially certifies PP acreage will be left idle, but the insured later plants it to a second crop within the LPP for the PP crop, and the insured does not meet the double cropping requirements,	revise the acreage report to delete this ineligible PP acreage. If the insured has an active policy for the crop planted, and the crop has not been reported, the acreage report may be revised to add the crop acreage if it is prior to the acreage reporting date for the planted crop. If it is after the acreage reporting date for the planted crop, the revised acreage report may be revised to add the crop as insured acreage IF a crop inspection is performed and the crop meets the criteria for accepting unreported acreage (unreported unit, if applicable), as outlined in procedures for crop inspections in the LAM.
the insured reported PP acres for a crop for which no eligible PP acres are provided under the policy (e.g., 100 acres of soybeans with no crop insurance history) but has eligible PP acres for another crop (e.g., 90 acres of corn).	**Refer to subsection 11 E for example**.
the insured reported 100 PP acres of black turtle beans, and the insured's dry bean history in the 4 most recent policy crop years shows the maximum acres for types of dry beans are: 10 acres for black turtle beans and 90 acres for navy beans	revise the acreage report to show 10 acres of PP acres for black turtle beans and 90 acres PP for navy beans.
acreage reported as PP is found to not be eligible for PP coverage	revise the acreage report to delete this ineligible acreage from the acreage report.
acreage reported as PP acres to be left idle, is planted to crop reported as PP **after** the LPP (after the FPD if LPP is not applicable)	revise the acreage report to delete the PP acreage. If acreage is planted after the LPP (or after FPD if LPP is not applicable), the acreage report is revised to show the acreage as insured or uninsured depending on the insured's choice.
it is verified that the PP acreage of the insured crop is physically located in a different unit than was reported on the initial acreage report,	revise the acreage report to reflect the correct unit in which the PP acreage is located.
the number of reported PP acres exceeds the number of acres eligible for a PP payment,	revise the acreage report to delete the number of acres that exceed the number of acres eligible for a PP payment.
the acreage reported as PP according to the insured's practices/rotational requirements show the acreage would have remained fallow or been planted to another crop than the crop reported as PP,	revise the acreage to remove the ineligible acres.

EXAMPLES OF REQUIRED REVISED ACREAGE REPORTS FOR PP ACRES (Continued)

IF...	THEN...
the number of PP and planted acres reported do not match the PP and the planted acres that were determined to exist and the total number of determined acres do not exceed the reported acres for the unit; and: (1) the PP acres are not increased, and all other PP eligibility requirements are met, and (2) The planted acres pass a crop inspection in accordance with the criteria for increasing liability stated in the LAM.	revise the acreage report to reflect the number of acres of PP and planted acres that were actually determined to exist. **EXAMPLE:** Reported Acres 50 planted $ 5,000 liab. 100 PP $ 6,000 liab. [1/]Total liab. = $11,000 liab. Determined Acres 75 planted $ 7,500 liab. 75 PP $ 4,500 liab. [1/]Total liab. = $12,000 liab. If the planted acreage did not pass the crop inspection, the PP acres that were not prevented from planting (25 acres in this case) would have to be removed, and the planted acreage could not be added.
in the 4 most recent policy crop years, an insured has not planted any crop in the county for which PP insurance was available or has not received a PP insurance guarantee, and the insured reports that he/she intends to plant all his/her cropland acres (1,000 acres) to fall wheat on the intended acreage report prior to the sales closing date for fall wheat, and the insured later reports 500 PP acres for wheat and 500 PP acres for corn by the acreage reporting date,	revise the acreage report to list 1,000 wheat PP acres if it is determined that the insured was prevented from planting all 1,000 acres due to an insurable cause. The acreage report must be revised to 1,000 wheat PP acres because the insured did not have any eligible PP acres for corn due to the eligible acres being established on the intended acreage report in accordance with the Basic Provisions (i.e., eligible PP acres for producer who in the 4 most recent policy crop years has not planted any crop in the county for which PP insurance was available or has not received a PP guarantee).
a 100 acre field of corn is PP and reported as PP corn. The insured later plants 30 acres of soybeans in the same field (the insured has no history of planting both corn and soybeans in this field in the same crop year in any one of the four most recent crop years),	revise the acreage report to remove all PP corn acreage since any PP acreage in a field must be considered the same crop planted in the field (refer to 4 G (1) (a)). If the insured was legitimately prevented from planting soybeans on the remaining 70 acres in the field, those acres may be claimed as PP soybeans.

8. FIELD INSPECTIONS

A. GENERAL INFORMATION

During the field inspections verify all of the following, and document all applicable items:

(1) Whether there was an insured cause of loss that prevented the insured from planting the insured crop, and if so, what the insured cause of loss was;

(2) Whether the insured cause of loss occurred during the PP insurance period;

(3) Whether PP acreage was or will be planted to a second crop by the insured and the planting date if a crop was planted at the time of the inspection;

(4) Whether PP acreage was or will be planted to a cover crop that was or will be hayed, grazed, or otherwise harvested, and if it was hayed, grazed, or otherwise harvested at the time of the inspection, the date of such disposition;

(5) Whether a volunteer crop was or will be hayed, grazed, or otherwise harvested, and if it was hayed, grazed, or otherwise harvested at the time of the inspection; the date of such disposition;

(6) Whether the insured will receive cash rent for any of the PP acreage;

(7) If the land is not owned by the insured, whether the insured's landlord cash rented or is going to cash rent the PP acreage to another person for the purpose of planting a crop for harvest, or haying or grazing a cover crop or volunteer crop prior to November 1, or harvesting the cover crop or volunteer crop for other than haying or grazing at any time; and

(8) Whether PP acreage was left idle.

B. <u>WHEN FIELD INSPECTIONS ARE TO BE DONE</u>

(1) An inspection must be made as soon as possible after the AIP has received the insured's PP notice to ensure an insured cause of loss occurred during the PP insurance period and to ensure the cause of loss did prevent the acres from being planted when:

(a) There is not a known cause of loss in the geographic area where the insured states he/she has been prevented from planting;

(b) Only a minimal percentage of the insureds in the AIP's book of business for a particular area turned in PP notices;

(c) It does not seem reasonable for the respective acreage to have been prevented from planting (e.g., acreages of lower elevation have been affected but this acreage is of higher elevation and should not have been affected); or

(d) The AIP has reason to suspect the insured of misrepresentation in the past.

(2) In geographic areas where a known cause of loss has prevented planting (unless (1) (c) or (d) applies), at least one field inspection must be made by the earlier of:

(a) Fifty-five (55) days after the FPD (the LP date for the crop in the county for spring-seeded barley, oats or wheat) for the insured crop (Refer to subsection 10 I.), or

(b) The general harvest date for the crop in the area. At that time, a revised acreage report must be prepared if necessary (Refer to subsection 7 I), and the PP claim finalized if possible. Refer to subsection 10 I.

(3) On the first inspection of the PP acreage, if the insured states he/she does not plan to plant a second crop for harvest, plan to hay, graze or otherwise harvest a cover crop or volunteer crop, or to cash rent the acreage and the insured owns the acreage or has control of the acreage for the crop year via a lease agreement, the AIP may obtain a signed certification from the insured stating such and pay the insured 100% of the PP payment, provided all other PP eligibility requirements are met. Refer to Section 5 E for additional information.

(4) Final inspections/PP payments cannot be made until after the end of the LPP for the PP crop (FPD if no LPP is applicable) because all eligibility requirements cannot possibly be verified prior to this date since planting a crop prior to this date affects eligibility.

9. REPLANTING PAYMENT ELIGIBILITY

Replanting payment eligibility is determined on a unit planted-acre basis. Acreage prevented from being planted is not considered when determining eligibility for a replant payment. See additional information about replanting payments in the LAM and the appropriate crop handbook.

10. CLAIMS

A. PP CODES FOR CLAIMS

PP Codes	Explanation
P2	When the PP coverage for the insured crop stated in the Basic Provisions is applicable and acreage of the insured crop is prevented from planting. **Applicable policy percentage is 60 percent coverage for all crops eligible for PP except: hybrid seed corn, cotton, ELS cotton, and peanuts (50 percent); rice ***and sugar beets (45 percent); green peas, processing beans, and processing sweet corn (40 percent);onions and tobacco (35 percent); and potatoes (central and southern and northern) (25 percent).)**
PF	When the insured has additional coverage and elects a 5 percent increase of the policy stated PP coverage, if provided in the actuarial documents, by the SCD and acreage of the insured crop is prevented from planting and all requirements for a PP payment have been met.
PT	When the insured has additional coverage and elects a 10 percent increase of the policy stated PP coverage, if provided in the actuarial documents, by the SCD and acreage of the insured crop is prevented from planting and all requirements for a PP payment have been met.
PA	Indicates "planted acres;" i.e., not prevented from planting. **Used only when a claim is prepared solely as a PP payment**.
P2P, PFP, or PTP	Used ONLY on an Indemnity Payment claim (planted acres) when a PP Payment Claim was previously paid or prepared via a PP Payment Claim. These codes indicate a PP payment (showing the appropriate PP coverage) was previously paid or will be paid for the acreage shown on that line of the claim form; i.e., if a PP payment for 25 acres of corn at 60% PP coverage was previously paid, the line with the 25 acres would be coded "P2P."

(8) ALLOCATION OF GUARANTEED POUNDS FOR TIMELY, LATE, AND PP ACRES WHEN MULTIPLE PRICES ARE IN THE SAME UNIT

The following example utilizes the same information as above. The 60.0 planted acres are composed of 50.0 timely planted acres and 10.0 acres planted five days late with a timely planted (TP) guarantee reduction of one percent per day for the late planted (LP) guarantee. Prorating factors (PFs) are determined by dividing the guaranteed pounds for each price election by the total guaranteed pounds for the unit (guaranteed pounds utilized in the premium calculation which is prior to any Late Planting or PP reduction).

Determine Prorating Factors (PF):

50,000 lbs. (of .228 price election) divided by 175,840 lbs. (total unit lbs.) = .2843 PF
94,070 lbs. (of .210 price election) divided by 175,840 lbs. (total unit lbs.) = .5350 PF
31,770 lbs. (of .190 price election) divided by 175,840 lbs. (total unit lbs.) = .1807 PF

Calculation for the PP Portion:

20 ac. X .2843 = 5.7 ac. X 1,099 lb. PP guar. = 6,264.3 lb. X .228 price = $1,428.26 liab.
20 ac. X .5350 = 10.7 ac. X 1,099 lb. PP guar. = 11,759.3 lb. X .210 price = $2,469.45 liab.
20 ac. X .1807 = 3.6 ac. X 1,099 lb. PP guar. =3,956.4 lb. X .190 price = $751.72 liab.

Totals: 20.0 ac. 21,980 lbs. guar. $4,649.00 liab. on PP acres

[$4,649.00 divided by 21,980 lbs. = .2115 WAP]

Calculation for the Timely and Late Planted Portion:

50 ac. X .2843 = 14.2 ac. X 2,198 lb. TP guar. = **31,211.6 lb** X .228 price = $7,116.25 liability
50 ac. X .5350 = 26.8 ac. X 2,198 lb. TP guar. = **58,906.4 lb** X .210 price = $12,370.34 liability
50 ac. X .1807 = 9.0 ac. X 2,198 lb. TP guar. = **19,782.0 lb** X .190 price = $3,758.58 liability

:

For the late planted acres, the same process would be duplicated within the planted acres based on the proportion of each set of late planted (LP) guarantee reduction.

10 ac. X .2843 = 2.8 ac. X 2,088 lb. LP guar. = **5,846.4 lb** X .228 price = $1,332.98 liability
10 ac. X .5350 = 5.4 ac .X 2,088 lb. LP guar. = **11,275.2 lb** X .210 price = $2,367.79 liability
10 ac. X .1807 = 1.8 ac. X 2,088 lb. LP guar. = **3,758.4 lb** X .190 price = $714.10 liability

Totals: 60.0 ac. 130,780 lb guar. $27,660.00 liability on planted acres

Resultant Pounds Attributed to Planted Acreage at the Respective Price Election

If there is a production loss on the 60.0 planted acres, quality adjustment will be based and/or subsequent production to count will be valued utilizing the following pounds at their respective price

31,211.6 lb. TP guar. + 5,846.4 lb. LP guar. = ***37,058.0 lb** guar. @ .228 price election
58,906.4 lb. TP guar. + 11,275.2 lb. LP guar. = ***70,182.0 lb** guar. @ .210 price election
19,782.0 lb. TP guar. + 3,758.4 lb. LP = guar. ***23,540.0 lb** guar. @ .190 price election

*Resultant pounds rounded to whole pounds.

H. UNIT GUARANTEE FOR THE CLAIM

(1) For planted acreage, the claim will reflect the total of the guarantees, by line, of the timely planted and LP acreage, and

(2) For PP acres, the claim will reflect the PP guarantee.

I. MULTIPLE PP PAYMENTS

Only ONE PP payment can be received by the insured or any other person (excluding share arrangement) for each acre for the crop year, unless the insured meets the requirement for double
*** cropping as stated in Section 5 above.

J. FINALIZING CLAIMS

(1) PP payment claims are **not** to be **finalized** UNTIL the adjuster and AIP are satisfied with all verifications/determinations, including, but not limited to:

(a) All acres claimed as PP for the insured crop met all eligibility requirements for PP payments, including that the acres were available for planting; refer to subsection 4 F (1) (b) for more information. If the adjuster questions the eligibility of any of the reported PP acreage, the adjuster is to contact the next level of supervision.

(b) The crop claimed as a cover crop met the criteria for a cover crop and whether the cover crop was hayed or grazed and if it was, the exact date it was hayed or grazed to determine whether the PP acreage is ineligible for a PP payment or whether the PP payment is reduced by 65% or not reduced due to double crop history. Refer to Section 5 for this information;

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.

(d) The insured claims PP for 200 acres of irrigated soybeans and has planted 200 acres irrigated corn and has irrigation facilities available for 400 acres. However, the insured cannot be paid on more irrigated acres than the insured has a history of irrigating in a single crop year, based on the insured's eligible PP crops. For example, the insured has irrigation facilities for 400 acres. In the four most recent crop years, the insured has irrigated a maximum of 200 irrigated corn acres and a maximum of 200 irrigated soybeans acres but not in the same crop year. The insured only has a history of planting 200 irrigated acres in a single crop year for all eligible PP crops in the most recent four crop years. Therefore, the maximum irrigated acres that the insured can be paid for PP is 200 irrigated acres, regardless of whether it is a single or combination of multiple eligible PP crops. 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. **Since pinto beans was the dry bean type claimed as PP, use pinto beans to compare to other crops used to determine which crop results in the most similar payment**

The next most similar PP payment to the pinto 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 $81.00 per-acre PP guarantee for pinto 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 $81.00 per-acre PP guarantee for the pinto beans would result in a lower PP payment than the $124.00 per-acre PP guarantee for soybeans. Therefore, the pinto 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. The insured is claiming 100.0 acres PP for pinto beans on unit 0001-0001OU. 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.

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	0 Acres	$85.00
Navy Beans	0001-0002OU	0 Acres	$66.00
Wheat	0001-0001OU	25 Acres	$40.00
Soybeans	0001-0002OU	25 Acres	$124.00
Total		100.0 Acres	

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.

The PP payment and premium for the remaining 25.0 PP acres of pinto beans prevented from planting will paid as Pinto beans at $81.00 using 25 acres of soybean eligibility.

Prevented Planting Payment Calculation							
Crop/Unit	**Acres**	**x**	**$ PP Guarantee**	**x**	**Share***	**=**	**Indemnity**
Pinto Beans – 0001-0001OU	50.0	X	$81.00	X	1.000	=	$4,050.00
Wheat – 0001-0001OU	25.0	x	$40.00	x	1.000	=	$1,000.00
Soybeans - 0001-0002OU	25.0	X	$81.00*	X	1.000	=	$2,025.00

***Paid as Pinto beans**

(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.

(RESERVED)