



United States  
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Agriculture



Federal Crop  
Insurance  
Corporation

FCIC-25370 (09-2014)  
FCIC-25370-1 (08-2015)  
FCIC-25370-2 (12-2015)  
FCIC-25370-3 (09-2016)  
FCIC-25370-4 (12-2016)

# PREVENTED PLANTING STANDARDS HANDBOOK

## 2017 and Succeeding Crop Years



**RISK MANAGEMENT AGENCY  
KANSAS CITY, MO 64133**

<b>TITLE: PREVENTED PLANTING STANDARDS HANDBOOK</b>	<b>NUMBER: FCIC-25370 FCIC-25370-1 FCIC-25370-2 FCIC-25370-3 FCIC-25370-4</b>
<b>EFFECTIVE DATE: 2017 Succeeding Crop Years</b>	<b>ISSUE DATE: December 1, 2016</b>
<b>SUBJECT:</b>  <b>Provides the procedures and instructions for administering the Prevented Planting Provisions</b>	<b>OPI: Product Administration and Standards Division</b>  <b>APPROVED:</b>  <i>/s/Richard H. Flournoy</i>  <b>Deputy Administrator for Product Management</b>

**REASONS FOR AMENDMENT**

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

1. Paragraph 23, page 6: Updated example
2. Paragraph 24, page 13-14: Updated “PP Coverage Level Percentages by Crop” table.
3. Paragraph 72, page 53: Updated PP coverage level percentages.

## PREVENTED PLANTING STANDARDS HANDBOOK

### CONTROL CHART

Prevented Planting Standards Handbook							
	TP Page(s)	TC Page(s)	Text Page(s)	Exhibit Number	Exhibit Page(s)	Date	Directive Number
Remove	1-2		5-6 13-14 53-54			09-2016 09-2014 08-2015 09-2014	FCIC-25370-3 FCIC-25370 FCIC-25370-1 FCIC-25370
Insert	1-4		5-6 13-14 53-54			12-2016	FCIC-25370-4
Current Index	1-2	1-2	1-4 5-6 7-10 11-12 13-14 15-16 17-18 19-20 21-22 23-28 29-30.2 31-32 33-36 37-38 39-48 49-50 51-52 53-54 55-56 57-58 59-64 65-70 71-72 73-80 81-82 83-88	1-2 2-6	89-90 91-99	12-2016 09-2014 09-2014 12-2016 09-2014 09-2016 12-2016 09-2016 12-2015 09-2014 09-2016 09-2014 08-2015 12-2015 09-2014 09-2016 09-2014 09-2016 09-2014 12-2016 09-2014 08-2015 09-2014 08-2015 12-2015 09-2014 09-2016 09-2014 08-2015 12-2015 09-2014 09-2016 09-2014 08-2015 09-2014	FCIC-25370-4 FCIC-25370 FCIC-25370 FCIC-25370-4 FCIC-25370 FCIC-25370-3 FCIC-25370-4 FCIC-25370-3 FCIC-25370-2 FCIC-25370 FCIC-25370-3 FCIC-25370 FCIC-25370-1 FCIC-25370-2 FCIC-25370 FCIC-25370-3 FCIC-25370 FCIC-25370-3 FCIC-25370 FCIC-25370-4 FCIC-25370 FCIC-25370-1 FCIC-25370 FCIC-25370-1 FCIC-25370-2 FCIC-25370 FCIC-25370-3 FCIC-25370 FCIC-25370-1 FCIC-25370 FCIC-25370-1 FCIC-25370-2 FCIC-25370 FCIC-25370-3 FCIC-25370 FCIC-25370-1 FCIC-25370

## **FILING INSTRUCTIONS**

The handbook pages listed in the Control Chart above under the “Insert” heading replace such pages in the FCIC-25370-3, Prevented Planting Loss Adjustment Standards Handbook, dated September 2016. This handbook is effective upon approval and until obsoleted.

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## 23. Criteria for PP Payments

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

- (a) The insured is prevented from planting the insured crop on insurable acreage following all applicable good farming practices, with proper equipment by the FPD designated in the SP (or within the LPP, if applicable);

When there is more than one FPD in the county for barley, oats, or wheat, the applicable FPD is the latest FPD. Wheat and barley under the terms of the Winter Coverage Endorsement do not have an LPP.

- (b) The insured did not plant the insured crop claimed as PP during or after that crop's LPP (FPD if no LPP is applicable);

However, if acreage prevented from planting by the FPD (within the LPP if applicable) is subsequently planted to the insured crop after the LPP (FPD if no LPP is applicable), it is not considered PP acreage. Such acreage is considered late-planted acreage under the late planting provisions (section 16(b) of the BP). It is the insured's option whether to insure such acreage.

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

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

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

- (ii) Conditions can vary significantly between farms, geographic areas, irrigation districts, etc. AIPs must make loss determinations based on each producer's circumstances and in accordance with the policy and procedural guidelines.

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

- (i) The insured has an insurable interest in the crop,

## 23. Criteria for PP Payments (Continued)

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- (ii) The contractor has not over-contracted the total number of acres (contemplating “normal” planting delays, etc.), and
  - (iii) All other PP provisions have been met. In order for this situation to be considered an insured cause of loss, processors are not expected to modify contract-specified planting/harvesting dates to return and plant the insured’s acreage that was initially passed over for planting.
- (2) Factors such as existence of insurance, level of insurance coverage, or the financial position of the producer should not be considered when evaluating whether a producer was prevented from planting.
- (3) The insured must timely submit a notice of PP to the AIP. Refer to paragraph 12A(1) for detailed information.
- (4) The acreage of the insured crop that was prevented from being planted must be listed on the insured’s timely submitted acreage report in order to be eligible for a PP payment. Refer to paragraph 51.
  - (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 55 percent PP coverage level for corn with a 100 bu. per-acre guarantee for timely planted acres. The guarantee for the LP acres will be 55 bu. (.55 X 100) times the selected price election.
- (5) There must be enough eligible PP acreage (after deducting planted acreage) to cover the unplanted acreage. Refer to paragraphs 26A and 27.)
- (6) The amount of premium (gross premium less FCIC subsidy) that would be required to be paid by the insured for the PP acreage CANNOT exceed the liability for such acreage. Refer to paragraph 53.

## 25. PP Coverage Levels

- (1) The actuarial documents 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) If available for the crop, insureds 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 percent) and PT (+10 percent).
- (3) 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.
- (4) The insured cannot increase the elected or assigned PP coverage level percent for any CY 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.
- (5) Insureds' PP coverage level percentage is multiplied by their per-acre production guarantee for timely planted acres times their applicable price election or projected price, to determine a per-acre amount before share. Refer to paragraph 75 for the complete PP payment calculation.

PP Coverage Level Percentages by Crop		
If the insured crop is . . .	And the coverage level elected is . . .	Then available PP coverage levels is . . .
Barley <sup>5/</sup> , buckwheat, canola/rapeseed <sup>5/</sup> , dry beans, dry peas, flax, grain sorghum <sup>5/</sup> , hybrid sorghum seed, millet, mustard, oats, popcorn, rye, safflowers, silage sorghum, soybeans <sup>5/</sup> , sunflower seed <sup>5/</sup> , or wheat <sup>5/</sup>	Additional	60, 65 <sup>1/</sup> , or 70 <sup>1/</sup> percent
	CAT	60 percent
Corn <sup>5/</sup>	Additional	55, 60 <sup>1/</sup> , or 65 <sup>1/</sup> percent
	CAT	55 percent
Green peas, processing sweet corn, or processing beans	Additional	40, 45 <sup>1/</sup> , or 50 <sup>1/</sup> percent
	CAT	40 percent
Sugar beets <sup>3/</sup> , <sup>4/</sup>	Additional	45, 50 <sup>1/</sup> , or 55 <sup>1/</sup> percent
	CAT	45 percent

## 25. PP Coverage Levels (Continued)

PP Coverage Level Percentages by Crop		
If the insured crop is . . .	And the coverage level elected is . . .	Then available PP coverage levels is . . .
Rice <sup>5/</sup>	Additional	55, 60 <sup>1/</sup> , or 65 <sup>1/</sup> percent
	CAT	55 percent
Cotton <sup>2/</sup> , <sup>5/</sup> , ELS cotton <sup>2/</sup> , cottonseed <sup>2/</sup> , hybrid seed corn, or peanuts	Additional	50, 55 <sup>1/</sup> , or 60 <sup>1/</sup> percent
	CAT	50 percent
Onions <sup>3/</sup> and Tobacco	Additional	35 percent
	CAT	35 percent
Central and southern potatoes and northern potatoes	Additional	25, 30 <sup>1/</sup> , or 35 <sup>1/</sup> percent
	CAT	25 percent

<sup>1/</sup> 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 Para. 25 (1)-(4) above for more details).

<sup>2/</sup> 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.)

<sup>3/</sup> For onions and sugar beets, the percentage listed is multiplied times the final stage production guarantee.

<sup>4/</sup> PP is not available in California counties with an April 30 contract change date and a July 15 cancellation date.

<sup>5/</sup> For Revenue Protection, Revenue Protection with the Harvest Price Exclusion, and Yield Protection plans of insurance; the projected price is used.

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

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).

## 26. Eligible Acres

### A. PP Eligible Acreage

Acreage eligible for PP must:

- (1) Be insurable.
- (2) 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 CY.
- (3) Not be acreage that is considered unavailable for planting. Acreage not considered available for planting includes, but is not limited to, the following (see the SP, if applicable):
  - (a) Acreage enrolled in CRP;

## PART 7 CLAIMS

### 71. Replanting Payment Claim Eligibility

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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.

### 72. General PP Payment Claim Information

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#### A. PP Codes for Claims

PP Codes	Explanation
P2	Used when the PP coverage for the insured crop stated in the BP is applicable and acreage of the insured crop is prevented from planting.  Applicable policy percentages are listed in the actuarial documents or Paragraph 25, PP Coverage Level Percentages by Crop.
PF	Used 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	Used 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 55 percent PP coverage was previously paid, the line with the 25 acres would be coded “P2P.”

## 72. General PP Payment Claim Information (Continued)

### B. PP Claim Entry Instructions

With the exception of the instructions for PP acreage in the following table, adjusters are to follow instructions in the appropriate crop handbooks.

Item Name	Entry Instruction
“Date Harvest Completed” column of the claim form	<ul style="list-style-type: none"> <li>▪ If insured crop acreage was prevented from being planted to the intended crop and such acreage meets all of the requirements for a PP payment, enter “P2,” “PF,” or “PT” as appropriate for the insured’s selected PP coverage.</li> <li>▪ If any acreage on the unit was planted to the insured crop, determine the entry as instructed in the appropriate crop handbook.</li> </ul>
“Stage” column of the claim form	<ul style="list-style-type: none"> <li>▪ When acreage is eligible PP acreage, enter the appropriate PP code.</li> <li>▪ If the claim is being prepared solely for a PP payment, enter “PA” for any acres that have been planted.</li> <li>▪ If the claim is being prepared solely for an Indemnity Payment Claim, and there has been a previously prepared PP claim, enter, as appropriate, “P2P,” “PFP,” or “PTP.”</li> </ul> <p>See codes in Table in subparagraph A above.</p>
“Use of Acreage” column of the claim form.	<ul style="list-style-type: none"> <li>▪ If PP code in the “Stage” column is P2, enter “P2.”</li> <li>▪ If PP code in the “Stage” column is PF, enter “PF.”</li> <li>▪ If PP code in the Stage column is PT, enter “PT.”</li> <li>▪ If code in the Stage column is PA, enter “Planted Acres.” USE ONLY ON CLAIMS PREPARED SOLELY FOR PP PAYMENT.</li> <li>▪ If code in the Stage column is P2F, PFP, or PTP, enter “Prev. Paid.”</li> </ul>

### C. Multiple Cropping Codes on the Claim Form

Refer to the LAM for specific codes and entry instructions when a crop (second crop) has been planted on any of the PP acreage that is the first insured crop or there are other actions taken on the same acreage that affect the PP payment. Refer to Part 4 herein.