



United States Department of Agriculture
Farm and Foreign Agricultural Services
Risk Management Agency

BULLETIN.: MGR-02-016

TO: All Reinsured Companies
All Risk Management Agency Field Offices
All Other Interested Parties

FROM: Ross J. Davidson, Jr. /s/ Ross J. Davidson, Jr. 08/20/02
Administrator

SUBJECT: Peanut Program Determinations for the 2002 Crop Year

BACKGROUND:

Title I, subtitle C of the Farm Security and Rural Investment Act of 2002 made a number of changes that affect the administration of the peanut crop insurance program effective for the 2002 crop year. This bulletin provides guidelines for implementing the changes. The policy and the procedures will be revised for subsequent crop years.

ACTION:

For the 2002 crop year, the peanut insurance program will be administered using the following guidelines:

1. The Marketing Quota Program is terminated and effective poundage marketing quotas will not be issued by the Farm Service Agency.
2. In accordance with the Peanut Crop Provisions (99-075)(Rev.7/99), all insured peanuts will be considered non-quota peanuts for all aspects of the policy, including the calculation of premium, liability, and indemnity.
3. The insured's production guarantee will be based on the classification yield established on the applicable FCI-32 Peanut Actuarial Classification Listing and Rules Page.
4. The non-quota price election for all peanuts is 17.75 cents per pound.



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5. For the purpose of determining replanting payment amounts, replant payments will not be made under section 12(a)(2)(iii) of the Peanut Crop Provisions (99-075)(Rev.7/99).
6. For the purposes of quality adjustment only, the average support price per pound is 17.75 cents per pound.
7. Instructions for making quality adjustment determinations will be issued as soon as inspection and grading procedures and prices are available.

DISPOSAL DATE:

This bulletin is for the purpose of transmitting information and will remain in effect until December 31, 2002.