



United States Department of Agriculture
Risk Management Agency

March 2008

2008 COMMODITY INSURANCE FACT SHEET

Peanuts

Virginia

Crop Insured

Peanuts planted for marketing as farmers' stock peanuts and of a type designated as insurable on the actuarial documents may be insurable, whether or not they are grown under a sheller contract.

Unless allowed by the special provisions, the policy does not cover peanuts that are planted for harvest as green peanuts or inter-planted with another crop or into an established grass or legume.

Counties Available

Peanuts are insurable in Brunswick, Chesterfield, Dinwiddie, Greensville, Isle of Wight, Prince George, Southampton, Surry, Sussex, and Suffolk City counties. Peanuts may be insurable in other counties if specific criteria are met. Contact a crop insurance agent for more details.

Causes of Loss

Adverse weather conditions¹
Disease²
Failure of irrigation water supply³
Fire
Insects²
Wildlife

¹Natural perils such as hail, frost, freeze, drought, and excess moisture.
²Does not include damage to insufficient or improper application of pest or disease control measures. ³If due to insurable causes.

Insurance Period

Coverage begins when the crop is planted and ends at the earliest of: (1) total destruction of the crop, (2) removal of peanuts from the field, (3) abandonment of the crop, (4) final adjustment of a claim, or (5) November 30, 2008.

Reporting Requirements

Acreage Report— You must report all acres of your peanuts in which you have a share by June 30, 2008. In addition, if any acreage is being grown under contract, a copy of the contract must be provided.

Important Dates

Sales Closing	March 15, 2008
Initial Planting ¹	April 11, 2008
Final Planting ²	June 10, 2008
Acreage Report Due.....	June 30, 2008

Definitions

Base Contract Price—The price that is stipulated in the sheller contract, not to exceed the Price Election times the price factor of 1.20.

Production Guarantee—Number of pounds guaranteed determined by multiplying your average yield (based on your records) times the coverage level you elect times your planted acres.

Price Election—The price used to calculate your premium or indemnity. Price elections are posted on the RMA Web site at:

<http://www3.rma.usda.gov/apps/pricesinquiry/>

Price Election

.205 cents per pound

Duties in the Event of Damage or Loss

- (1) Protect the crop from further damage by providing sufficient care; (2) notify your agent within 72 hours of your initial discovery of damage (but not later than 15 days after the end of the insurance period); and (3) leave representative samples intact for each field of the damaged unit.

Coverage Levels and Premium Subsidies

Coverage level options range from 50 to 85 percent of your average APH yield and are subsidized as shown in the table below. As an example, an average peanut yield of 3,000 pounds per acre would result in a guarantee of 2,250 pounds per acre at the 75-percent coverage level. From the table, if you selected the 75-percent coverage level, your premium share would be 45 percent of the base premium:

Coverage Level %	50	55	60	65	70	75	80	85
Premium Subsidy %	67	64	64	59	59	55	48	38
Your Premium Share %	33	36	36	41	41	45	52	62

Catastrophic (CAT) coverage is fixed at 50 percent of average yield and 55 percent of the price election. CAT is 100-percent subsidized with no premium cost to you except for an administrative fee of \$100, regardless of the acreage.

Insurance Units

If all of your insurable peanut acreage in the county (for example, one or more farm serial numbers) is insured as one basic unit, you will be eligible for a 10-percent premium discount. Optional units by farm serial number are available (for both contracted and non-contracted peanuts) if you maintain separate records by unit and meet all the guidelines as specified in the basic provisions.

Replant Provisions

A replanting payment is allowed if your peanut crop is damaged by a covered cause of loss to the extent that the remaining stand will not produce at least 90 percent of your guarantee and it is practical to replant. The maximum replanting payment per acre will be the lesser of:

- Your price election multiplied by 20-percent of your per acre production guarantee; or
- \$80 per acre.

Note: Replanting payments are not available with CAT coverage.

Late and Prevented Planting

These provisions provide a reduced amount of protection on acreage that is planted late or that cannot be planted at all due to insurable causes. Consult a crop insurance agent for more details.

Group Risk Plan (GRP)

GRP is available in Isle of Wight, Southampton, and Sussex counties. GRP is based on county average yields rather than your individual yields. If the county yield for the year falls below a certain level, an indemnity will be paid, regardless of your own yields. Coverage levels up to 90 percent of the expected county yield can be obtained at rates that are usually lower than those of traditional crop insurance plans. GRP may appeal to growers whose yields vary directly with the county average yield and who are interested in a simplified plan of catastrophic protection without having to furnish yield records or evidence of crop loss.

Loss Example

This example is based on peanuts on a non-irrigated average yield of 3,000 pounds per acre, 75-percent coverage level, and one basic unit.

3,000	Pounds per acre average yield
x .75	Coverage level
2,250	Pounds per acre guarantee
- 950	Pounds per acre harvested
1,300	Pounds per acre loss
x \$.20	Price election
\$260	Indemnity per acre
- \$18	Estimated premium per acre
\$242	Net indemnity per acre

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