

United States
Department of
Agriculture



Federal Crop
Insurance
Corporation



Product
Development
Division

FCIC-25320 (01-2004)
FCIC-25320-1 (11-2004)

PEANUT LOSS ADJUSTMENT STANDARDS HANDBOOK

2005 and Succeeding Crop Years

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

FEDERAL CROP INSURANCE HANDBOOK	NUMBER: 25320 (01-2004) 25320-1 (11-2004)
SUBJECT: PEANUT LOSS ADJUSTMENT STANDARDS HANDBOOK 2005 AND SUCCEEDING CROP YEARS	DATE: November 1, 2004
	OPI: Product Development Division
	APPROVED: /s/ Rodger M. Matthews for Tim B. Witt Deputy Administrator, Research and Development

THIS HANDBOOK CONTAINS THE OFFICIAL FCIC-APPROVED LOSS ADJUSTMENT STANDARDS FOR THIS CROP FOR THE 2005 AND SUCCEEDING CROP YEARS. IN THE ABSENCE OF INDUSTRY-DEVELOPED, FCIC-APPROVED PROCEDURE FOR THIS CROP FOR 2005 AND SUCCEEDING CROP YEARS, ALL REINSURED COMPANIES WILL UTILIZE THESE STANDARDS FOR BOTH LOSS ADJUSTMENT AND LOSS TRAINING.

SUMMARY OF CHANGES/CONTROL CHART

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

Changes for Crop Year 2005 (FCIC-25320-1) issued NOVEMBER 2004:

- A. Removed all references to “NOTE” from slipsheeted pages of the handbook.
- B. Page 1, section 2 A: Inserted standard verbiage, “and signed by the insured,” to statement regarding distribution of forms.
- C. Page 1, subsection 2 B (3): Added description of the abbreviations for SMK and SS.
- D. Page 2, subsection 2 B (4): Changed term “obtained” to “contained” in the definition of Production guarantee, to comply with crop provisions.
- E. Page 9, subsection 6 B (3): Corrected the numbering of steps in this section.
- F. Page 9, subsection 6 B (3) (f): Added instructions to refer to the LAM for instructions on how inches are converted to tenths of a foot.
- G. Page 11, subsection 6 D (2) (c): Removed reference to form FSA-1007-VC, as this form no longer exists. It was merged with the FSA-1007 form to make one FSA-1007 form.

PEANUT LOSS ADJUSTMENT STANDARDS HANDBOOK

SUMMARY OF CHANGES/CONTROL CHART (Continued)

- H. Page 24, subsection 9 B, Section I - Acreage Appraised, Production And Adjustments, item A: Inserted standard language regarding entries of first and second crop codes.
- I. Page 26, subsection 9 B, Section I – Acreage Appraised, Production And Adjustments, item G: Removed verbiage that peanuts will continue to be insured under the type initially planted and reported, as this was not a true statement. Modified instructions regarding replanting acreage to a different type.
- J. Page 33, subsection 9 B, Section II - Harvested Production, item A₂ (b): Inserted standard language regarding entries of first and second crop codes.
- K. Page 33, subsection 9 B, Section II – Harvested Production, item B-D: Removed reference to form FSA-1007-VC.
- L. Page 34, subsection 9 B, Section II – Harvested Production, item G: Removed reference to form FSA-1007-VC.
- M. Page 34, subsection 9 B, Section II – Harvested Production, item H₁: Removed reference to form FSA-1007-VC. Also added instructions to contact the local FSA county office for all pertinent premium and discount figures.
- N. Page 35, subsection 9 B, Section II – Harvested Production, item M: Removed reference to form FSA-1007-VC.
- O. Page 41, section 10, Exhibit 1, first paragraph: Removed reference to form FSA-1007-VC. Also, for information purposes, inserted description of forms FSA-1007 and FV-95.
- P. Page 41, section 10, Exhibit 1, item 7: Removed reference to form FSA-1007-VC.
- Q. Page 41, section 10, Exhibit 1, item 8: Removed instructions regarding the 2004 premium and discounts for SMK + SS, as they are no longer applicable.
- R. Page 41, section 10, Exhibit 1, item 9: Clarified instructions for Damage.
- S. Page 42, section 10, Exhibit 1, items 18, 19, and 20: Removed reference to form FSA-1007-VC.

PEANUT LOSS ADJUSTMENT STANDARDS HANDBOOK

SUMMARY OF CHANGES/CONTROL CHART (Continued)

Control chart for: Peanut Loss Adjustment Standards Handbook						
	SC Page(s)	TC Page(s)	Text Page(s)	Reference Material	Date	Directive No.
Remove	1-4		1-2	41-42	01-2004	FCIC-25320
			9-12		01-2004	FCIC-25320
			23-26		01-2004	FCIC-25320
			33-36		01-2004	FCIC-25320
Insert	1-4		1-2	41-42	11-2004	FCIC-25320-1
			9-12		11-2004	FCIC-25320-1
			23-26		11-2004	FCIC-25320-1
			33-36		11-2004	FCIC-25320-1
Current Index	1-4	1-2	1-2	39-40 41-42	11-2004	FCIC-25320-1
					01-2004	FCIC-25320
					11-2004	FCIC-25320-1
			3-8		01-2004	FCIC-25320
			9-12		11-2004	FCIC-25320-1
			13-22		01-2004	FCIC-25320
			23-26		11-2004	FCIC-25320-1
			27-32		01-2004	FCIC-25320
			33-36		11-2004	FCIC-25320-1
			37-38		01-2004	FCIC-25320
					01-2004	FCIC-25320
					11-2004	FCIC-25320-1

PEANUT LOSS ADJUSTMENT STANDARDS HANDBOOK

SUMMARY OF CHANGES/CONTROL CHART (Continued)

(RESERVED)

1. INTRODUCTION

THIS HANDBOOK MUST BE USED IN CONJUNCTION WITH THE LOSS ADJUSTMENT MANUAL (LAM).

This handbook identifies the crop-specific procedural requirements for adjusting Multiple Peril Crop Insurance (MPCI) losses in a uniform and timely manner. These procedures, which include crop appraisal methods and claims completion instructions, supplement the general (not crop-specific) procedures, forms, and manuals for loss adjustment identified in the Loss Adjustment Manual (LAM).

2. SPECIAL INSTRUCTIONS

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

A. DISTRIBUTION

The following is the minimum distribution of forms completed by the adjuster **(and signed by the insured)** for the loss adjustment inspection:

One legible copy to insured. The original and all remaining copies as instructed by the insurance provider.

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

B. TERMS, ABBREVIATIONS, AND DEFINITIONS

- (1) Terms, abbreviations, and definitions **general** (not crop specific) to loss adjustment are identified in the LAM.
- (2) Terms, abbreviations, and definitions **specific** to peanut loss adjustment and this handbook, which are not defined in this section, are defined as they appear in the text.
- (3) Abbreviations:

AMS	Agricultural Marketing Service
FSIS	Federal-State Inspection Service
LSK	Loose Shell Kernels
SE	Southeast
SMK	Sound Mature Kernels
SS	Sound Splits
SW	Southwest

(4) Definitions:

Average price per pound	The average support price per pound, by type, as defined in the Special Provisions of Insurance for peanuts.
Average support price per pound	The loan rate applicable for each peanut type, as announced each year by the U.S. Department of Agriculture.
Non-quota peanuts	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.
Planted acreage	In addition to the requirement in the definition in the Basic Provisions, peanuts must initially be planted in rows wide enough apart to permit mechanical cultivation. Acreage planted in any other manner will not be insurable unless otherwise provided by the Special Provisions or by written agreement.
Production guarantee (per acre)	In addition to the definition of “production guarantee (per acre)” in the Basic Provisions, the production guarantee (per acre) is the number of pounds determined by multiplying the yield per acre contained in the actuarial documents or the approved yield multiplied by the coverage level percentage elected.

3. INSURANCE CONTRACT INFORMATION

The insurance provider is to determine that the insured has complied with all policy provisions of the insurance contract. Crop provisions, which are to be considered in this determination, include (but are not limited to):

A. INSURABILITY

(1) Insured Crop

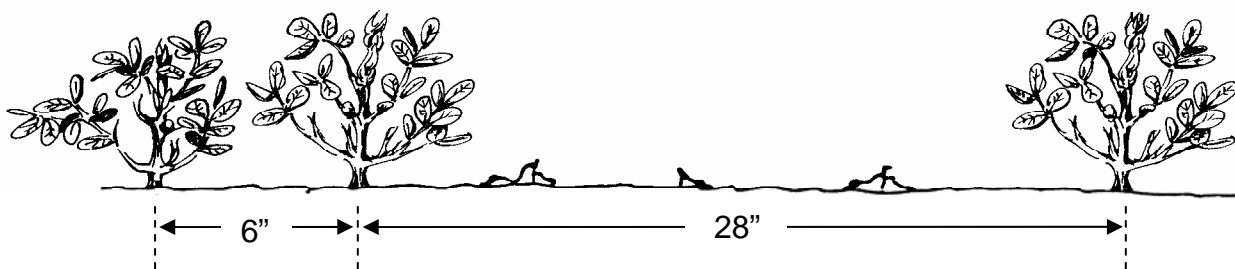
The crop insured will be all the peanuts in the county for which the insured has a share and which a premium rate is provided by the actuarial documents:

- (a) That are planted for the purpose of marketing as farmer’s stock peanuts;
- (b) That are the type of peanut designated in the Special Provisions as being insurable;
and

(3) Measuring a Skip

- (a) Using a measuring tape marked in inches, measure the total distance between “live” plants within the sample row
- (b) Subtract the standard plant spacing for the type (from 6B(2) above) from the total distance measured between the existing “live” plants. The result is the “net length” of the skip.

EXAMPLE:	Distance between existing plants	28"
	Less: One standard plant spacing	<u>6"</u>
	“Net Length of the skip”	22"



- (c) Compute the combined length of skips by adding the “net length” of all skips within the 100-foot sample.
- (d) Convert the result to feet and tenths by dividing by 12 and rounding to the nearest tenth of a foot.

EXAMPLE: Total combined length of all skips 229" \div 12 = 19.1 ft.

- (e) Record results for each sample in Part I - Sample Determinations - Stand Reduction Method section, Combined Length of Skips (column 12) of the appraisal worksheet.
- (f) Compute the pounds per acre appraisal using the instruction for Part I - Stand Reduction Method and Part II - Stand Reduction Method Computations of section 8B.

Refer to the LAM for instructions on how inches are converted to tenths of a foot

C. PLANT AND POD COUNT METHOD – “AFTER PODDING”

Use this method after kernel development begins within the pods until peanuts are threshed.

(1) Sampling

- (a) Measure the row width using the instruction in section 5.
- (b) Select from **TABLE C** the applicable 1/1000 acre representative sample row length based on the measured row width.

- (c) Using a measuring tape marked in tenths, measure a representative row or combinations of rows comprising 1/1000 of an acre.
- (d) Select the minimum number of representative samples using the instructions in section 5B.

If peanuts are dug and in the windrow, determine number of rows that the digger combined into one windrow and adjust sample size accordingly.

(2) Plant and Pod Count Computations

(a) Plant Count

- 1 Count the number of peanut plants in each representative sample.

If the peanuts have not been dug and the number of plants cannot be determined, dig up the plants and count the taproots.

- 2 Record the results in Part I - Sample Determinations - Plant Count - Number of Plants Per Sample (column 14) of the appraisal worksheet.

(b) Pod Count

From the **ENTIRE ACREAGE** in the unit:

- 1 Dig or select from the windrows, **AT LEAST 30** representative plants from the entire acreage in the unit. Exercise caution in:
 - a digging or selecting plants from the windrow so that all pods remain attached; and
 - b selecting plants, if plants are dug and in the windrow. Healthy plants with high pod count are larger and will be selected out of proportion unless a conscious effort is made to select representative plants.

If less than 30 plants are available for selection, explain in the “Remarks” section of the appraisal worksheet.

- 2 Count the pods from the representative plants that would normally be picked by the threshing machine.
- 3 Record the results in Part III - Plant and Pod Count Computations, Total Pods in Random Sample (column 26) of the appraisal worksheet.
- 4 Compute the pounds per acre appraisal using the instructions in section 8B, Part III - Plant and Pod Count Computations.

D. THRESHED SAMPLE METHOD – “AFTER PODDING”

Use this method after the peanuts have been dug. The thresher is to be used on sample areas of the field if the insured does not wish to harvest the entire field. The adjuster and the insured are to select the representative samples for the threshing and grading as follows:

(1) Sampling

- (a) Measure the row width using the instructions in section 5C.
- (b) Select, from Reference Material (section 10 **TABLE C**), the applicable 1/100 acre representative sample length based on the measured row width.
- (c) Using a measuring tape marked in tenths, measure a representative row or combinations of rows comprising 1/100 of an acre.
- (d) Select the number of representative samples using the instructions in section 5B.

(2) Threshing and Grading Samples

- (a) Instruct the insured to operate the thresher in a normal manner over each representative sample. The adjuster is to witness the threshing of **ALL** samples.
- (b) Weigh the threshed peanuts from **ALL** samples.
- (c) Select a four to five pound sample of peanuts from **ALL** of the threshed representative samples. The insured and the adjuster should make delivery of the sample to the USDA AMS Federal-State Inspection Service for grading. Using the grade results from the Federal-State Inspection Service Peanut Inspection Notesheet (Form FV-95), determine a value per pound in accordance with **EXHIBIT 1**.
*** However, if the insured elects to harvest the peanuts for delivery to a buying station, use the grade results from the FSA-1007. Apply the grade value to the entire field.

If the insured waives the right to obtain a grade and value, document in the Narrative of the T-P-C Production Worksheet “Insured waived the right to obtain a grade and value.”

(3) Threshed Sample Method Computations

- (a) Convert the net production from the graded sample to net production per acre using the following formula:

$$\begin{aligned} & \text{Net Pounds of Production from } \mathbf{ALL} \text{ Samples} \\ & \div \text{Number of Samples} \\ & = \text{Net Production Per Sample} \\ & \times \text{Constant Factor 100 (for 1/100 acre)} \\ & = \text{Net Production Per Acre} \end{aligned}$$

EXAMPLE: 6.0 Lbs. ÷ 4 Samples = 1.5 Lbs. X 100 Factor = 150 Lbs./Per Acre

- (b) Record computations in the “Remarks” section of the Peanut Appraisal Worksheet.

7. APPRAISAL DEVIATIONS AND MODIFICATIONS

A. DEVIATIONS

Deviations in appraisal methods require FCIC written authorization (as described in the LAM) prior to implementation.

B. MODIFICATIONS

The insurance provider’s authorizing official must authorize the use of a pre-established appraisal modification prior to its use by the adjuster. Refer to the LAM for additional information.

- (1) Stress Damage Modification. Use this modification **ONLY** when conditions warrant.

- (a) Determine if the peanut plants have been under stress from an insured cause of damage (e.g., drought) and the percent of reduction in potential production that the stress has caused.
- (b) Reduce the Pounds Per Acre appraisal (item 22 of the Appraisal Worksheet) after completing the Stand Reduction Method. If no stand reduction has occurred, use the production guarantee (as defined in section 2) as the pounds potential appraisal.

Lbs. Potential (appraisal or production guarantee) X (1.00 - % Stress Damage) = Lbs. Potential, rounded to whole pounds.

EXAMPLE: Production Guarantee of 700 lbs. and Stress Damage of 60%.

$$\begin{array}{rcccl} & & \text{Percent of} & & \\ & & \text{Stress Damage} & & \\ \text{Lbs. Potential} & & & & \text{Lbs. Potential} \\ 700 & \text{X} & (1.00 - .60) & = & 280 \text{ lbs.} \end{array}$$

- (2) Document the following in the Remarks section of the appraisal worksheet:

- (a) insured cause of damage;
- (b) how the percent of stress damage was determined; and
- (c) name of the person that authorized the modification and date authorized.

12. **Additional Units:**

PRELIMINARY AND REPLANT: MAKE NO ENTRY.

FINAL: Unit number(s) for ALL non-loss units for the crop at the time of final inspection. A non-loss unit is any unit for which a T-P-C Production Worksheet has not been completed. Additional non-loss units may be entered on a single T-P-C Production Worksheet.

If more spaces are needed for non-loss units, enter the unit numbers, identified as “Non-Loss Units,” in the narrative or on an attached Special Report.

13. **Est. Prod. Per Acre:**

PRELIMINARY AND REPLANT: MAKE NO ENTRY.

FINAL: Estimated yield per acre, in whole pounds, of all non-loss units for the crop at the time of final inspection.

14. **Date(s) Notice of Loss:**

PRELIMINARY:

- a. Date the notice of damage was given for the unit in column 2.
- b. A third preliminary inspection (if needed) requires an additional set of T-P-C Production Worksheets. Enter the date of notice for a third preliminary inspection in the 1st space of column 14 on the second set.
- c. Reserve the “Final” space on the first page of the first set of T-P-C Production Worksheets for the date of notice for the final inspection.
- d. If the inspection is initiated by the insurance provider, enter “Company Insp.” instead of the date.

REPLANT AND FINAL: Transfer the last date in the 1st or 2nd space to the FINAL space if a final inspection should be made as a result of the notice. Always enter the complete date of notice (month, day, year) for the FINAL inspection in the FINAL space on the first page of the first set of T-P-C Production Worksheets. For a delayed notice of loss or delayed claim, refer to the LAM.

15. **Companion Policy(ies):**

- a. If no other person has a share in the unit (insured has 100 percent share), MAKE NO ENTRY.

- b. In all cases where the insured has LESS than a 100 percent share of a loss-affected unit, ask the insured if the OTHER person sharing in the unit has a multiple-peril crop insurance contract (i.e., not crop-hail, fire, etc.). If the other person does not, enter “NONE.”
- (1) If the other person has a multiple-peril crop insurance contract and it can be determined that the SAME insurance provider services it, enter the contract number. Handle these companion policies according to insurance provider instructions.
 - (2) If the other person has a multiple-peril crop insurance contract and a DIFFERENT insurance provider or agent services it, enter the name of the insurance provider and/or agent (and contract number) if known.
 - (3) If unable to verify the existence of a companion contract, enter “Unknown” and contact the insurance provider for further instructions.

Refer to the LAM for further information regarding companion contracts.

SECTION I - ACREAGE APPRAISED, PRODUCTION AND ADJUSTMENTS

Make separate line entries for varying:

- (1) Rate classes, types, or farming practices;
- (2) APH yields;
- (3) Appraisals;
- (4) Adjustments to appraised mature production (quality adjustment factors);
- (5) Stages or intended use(s) of acreage;
- (6) Shares (e.g., 50 percent and 75 percent share on the same unit); or
- (7) Appraisal for damage due to hail or fire if a Hail and Fire Exclusion is in effect.

Verify or make the following entries:

**Item
No.**

Information Required

- A. **Field ID:** The field identification symbol from a sketch map or an aerial photo. Refer to the Narrative. In the margin, (or in a separate column), enter the date of inspection for the last line entry of each inspection.

REFER TO THE LAM FOR INSTRUCTIONS REGARDING ENTRIES OF FIRST CROP AND SECOND CROP CODES.

Where acreage is PARTLY replanted, omit the Field ID symbol for the fields that have not been replanted and that have been consolidated into a single line entry.

B. Prelim. Acres:

PRELIMINARY: The number of acres, to tenths (include “E” if estimated), for which consent for other use has been given. Determine actual acreage, to tenths, when the boundaries of the appraised acreage may not be determined later.

REPLANT AND FINAL: MAKE NO ENTRY.

C. Final Acres: Refer to the LAM for the definition of acceptable determined acres used herein.

Determined acres, to tenths (include “E” is estimated), for which consent is given for other use and/or:

- a. Abandoned;
- b. Put to other use without consent;
- c. Damaged by uninsured causes; or
- d. For which the insured failed to provide acceptable production records.

REPLANT: Determine the total acres, to tenths, of replanted acreage (DO NOT ESTIMATE). Make a separate line entry for any PART of a field or subfield NOT replanted.

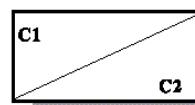
- a. Determine the planted acreage of any fields or subfields NOT replanted. Consolidate it into a single line entry UNLESS the usual reasons for separate line entries apply. Record the field or subfields identities (from a map or aerial photo) in the Narrative.
- b. ACCOUNT FOR ALL PLANTED ACREAGE IN THE UNIT.

FINAL: Determined acres to tenths.

Acreage breakdowns WITHIN a unit may be estimated (enter “E” in front of the acres) if a determination is impractical AND if authorization was received from the insurance provider. Document authorization in the Narrative.

ACCOUNT FOR ALL ACREAGE IN THE UNIT. In the event of over-reported acres, handle in accordance with individual insurance provider’s instructions. In the event of under-reported acres, draw a diagonal line in column “C” as shown.

- C₁ Enter the ACTUAL acres for the field or subfield.
- C₂ Enter the REPORTED acres for the field or subfield.



D. Interest or Share: Insured’s interest in the crop to three decimal places as determined at the time of inspection. If shares vary on the same UNIT, use separate line entries.

- E. **Risk:** Three-digit code for the correct “Rate Class” specified on the actuarial documents. If a “Rate Class” or “High Risk Area” is not specified on the actuarial documents, make no entry. Verify with the Summary of Coverage and if the Rate Class is found to be incorrect, revise according to the insurance provider’s instructions. Refer to the LAM.

Unrated land is uninsurable without a written agreement.

- F. **Practice:** Three-digit code number entered exactly as specified on the actuarial documents for the practice carried out by the insured. If “No Practice Specified,” enter appropriate 3-digit code number from the actuarial documents.

- G. **Type/Class/Variety:** Three-digit code number entered exactly as specified on the actuarial documents, for the type grown by the insured. If “No Type Specified,” enter appropriate 3-digit code number from the actuarial documents.

If the insured replants acreage to a different type, the acreage report must be revised to the new type and amount of acres replanted. Replant payments will be based on the new type replanted, unless specified otherwise in the crop provisions or Special Provisions.

- H. **Stage:**

PRELIMINARY: MAKE NO ENTRY.

REPLANT: Replant stage abbreviation as shown below.

<u>STAGE</u>	<u>EXPLANATION</u>
“R”.....	Acreage replanted and qualifying for replant payment.
“NR”.....	Acreage not replanted or not qualifying for replant payment. Enter “NR” if the combined potential production appraisal and uninsured cause appraisal totals 90 percent or more of the guarantee for replant claims.

FINAL: Stage abbreviation as shown below.

<u>STAGE</u>	<u>EXPLANATION</u>
“P”.....	Acreage abandoned without consent, put to other use without consent, damaged solely by uninsured causes, for which the insured failed to provide records of production which are acceptable to the insurance provider.
“H”.....	Harvested.
“UH”.....	Unharvested or put to other use with consent.

- d. If the claim involves a Certification Form, enter the date from the Certification Form when the entire unit is put to another use, replanting is complete for the unit, etc. Refer to the LAM.

19. **Similar Damage:**

PRELIMINARY: MAKE NO ENTRY.

REPLANT AND FINAL: Check “Yes” or “No.” Check “Yes” if amount and cause of damage due to insurable causes is similar to the experience of other farms in the area. If “No” is checked, explain in the Narrative.

20. **Assignment of Indemnity:** Check “Yes” **only** if an assignment of indemnity is in effect for the crop year; otherwise, check “No.” Refer to the LAM.

21. **Transfer of Right to Indemnity:** Check “Yes” **only** if a transfer of right to indemnity is in effect for the crop year; otherwise, check “No.” Refer to the LAM.

- A₁. **Share:** RECORD ONLY VARYING SHARES on the SAME unit to three decimal places.

A₂. **Field ID:**

- a. If only one practice and/or type of harvested production is listed in Section I, MAKE NO ENTRY.
- b. If more than one practice and/or type of harvested production is listed in Section I, and a separate production guarantee per acre exists, indicate for each practice/type the corresponding Field ID (from Section I column “A”).

REFER TO THE LAM FOR INSTRUCTIONS REGARDING ENTRIES OF FIRST CROP AND SECOND CROP CODES.

- B.-D. **PRODUCTION SOLD, DELIVERED UNDER CONTRACT OR UNDER LOAN,** enter the identification number of the FSA-1007. **If the** FSA form is **not** available, use the FV-95) or other acceptable sales record (if any) and name of buyer, or other receiver.

FARM STORED OR CONSUMED ON THE FARM, enter “Farm Stored,” “Farm Stored Seed,” or “Consumed” and identification of the FSA-1007 (or FV-95 if neither FSA form is available) or other record, (if any). If peanuts are farm stored and will not be graded, the peanuts are **NOT** eligible for quality adjustment.

- E. **Leaf Quality:** Record in sub-column “G” the Type, entered as a 3-digit code number, exactly as specified on the actuarial documents, that identifies the type of peanuts entered in **Production** (column “G”).

MAKE NO ENTRY in sub-columns “F” and “P.”

F. **Quota (Q), Non-Quota (NQ), or Bale No:** MAKE NO ENTRY.

G. **Production:** The unadjusted net weight, in whole pounds, for the line from the FSA-1007 (FV-95, as applicable) or other sales record which the adjuster determines to be accurate. ***

H₁. **Value Per Pound:** Record the value per pound for graded production (to four decimal places)

a. from item P of the FSA-1007 (If the value per pound is expressed as dollars per ton, divide by 2000.). Peanuts, that will not be delivered to a buying point for sale, or are for storage under the Peanut Marketing Assistance Loan program, must be graded by an FSIS grader and the results recorded on a FV-95 or FSA-1007. Using the grade results, determine the value per pound in accordance with EXHIBIT 1 (unless a value is recorded in item P of the FSA-1007). Peanuts, which are not graded, will not be eligible for quality adjustment. ***

b. for Segregation II or III peanuts, the value per pound will be 35 percent of the value recorded in item P of the FSA-1007 or determined in accordance with **EXHIBIT 1**.

EXCEPTION: The value per pound for Segregation II and III peanuts stored on the farm and that will be used for seed will not be reduced to 35 percent but will be valued at the full grade value.

The grade results from the FSA-1007 should be compared to the FSA data for accuracy. If item P of the FSA-1007 has been incorrectly calculated, calculate the Value Per Pound in accordance with **EXHIBIT 1**.

Contact your local FSA county office for all pertinent premium and discount figures or refer to website address, <http://www.fsa.usda.gov/dafp/psd/peanut.html>

H₂. **Local Market Price:** Record the Average Price Per Pound to four decimal places. See Definitions, section 2B(4).

I. **Quality Factor:** Divide “H₁” by “H₂”(if applicable) and enter the result to four decimal places.

J. **Production Not to Count (lbs.):** Net production NOT to count, to whole pounds, WHEN ACCEPTABLE RECORDS IDENTIFYING SUCH PRODUCTION ARE AVAILABLE, from harvested acreage which has been assessed an appraisal of not less than the guarantee per acre, or other sources (e.g., other units or uninsured acreage) in the same storage structure.

THIS ENTRY MUST NEVER EXCEED PRODUCTION SHOWN ON THE SAME LINE.

K. **Production to Count (lbs.):**

- a. If quality adjustment **does not apply**, subtract column “J” from column “G.”
- b. If quality adjustment **does apply**, subtract column “J” from column “G” times column “I,” rounding to the nearest whole pound.

L. MAKE NO ENTRY.

M. **Value Not to Count \$:** Record the Segregation as Seg. I, Seg. II, or Seg. III from the FSA-1007 (FV-95, as applicable) or other acceptable sales record to identify the **Production** entered in column “G”

N. **Production/Value to Count:** Transfer result of column “K.”

FOR COLUMNS 22 - 24. WHEN SEPARATE LINE ENTRIES ARE MADE FOR VARYING SHARES, STAGES, PRODUCTION GUARANTEES OR APH YIELDS, PRICE ELECTIONS, TYPES, ETC., WITHIN THE UNIT, AND TOTALS NEED TO BE KEPT SEPARATE FOR CALCULATING INDEMNITIES, MAKE NO ENTRY AND FOLLOW THE INSURANCE PROVIDER’S INSTRUCTIONS; OTHERWISE, MAKE THE FOLLOWING ENTRIES.

22. **Section II Total:**

PRELIMINARY AND REPLANT: MAKE NO ENTRY.

FINAL: Total of column “N.”

23. **Section I Total:**

PRELIMINARY AND REPLANT: MAKE NO ENTRY.

FINAL: Transfer, from Section I, result of column “P.”

24. **Unit Total:**

PRELIMINARY AND REPLANT: MAKE NO ENTRY.

FINAL: Result of adding 22 and 23.

25. **Adjuster’s Signature, Code #, and Date:** Signature of adjuster, code number, and date signed **after** the insured (or insured’s authorized representative) has signed. For an absentee insured, enter adjuster’s code number **ONLY**. The signature and date will be entered **AFTER** the absentee has signed and returned the T-P-C Production Worksheet.

Final indemnity inspections and final replant payment inspections should be signed on bottom line.

26. **Insured's Signature and Date:** Insured's (or insured's authorized representative's) signature and date. BEFORE obtaining insured's signature, REVIEW ALL ENTRIES on the T-P-C Production Worksheet WITH THE INSURED, particularly explaining codes, etc., that may not be readily understood.

Final indemnity inspection and final replant payment inspections should be signed on bottom line.

27. **Page Numbers:**

PRELIMINARY: Page numbers – “1,” “2,” etc., at the time of inspection.

REPLANT AND FINAL: Page numbers - (Example: Page 1 of 1, Page 1 of 2, Page 2 of 2, etc.).

EXHIBIT 1

PEANUT QUALITY ADJUSTMENT WORKSHEET INSTRUCTIONS

*** All entries are determined from the following forms: FSA-1007 or FV-95. Enter a zero when there are no deductions or additions. **The FSA-1007 is the Inspection Certificate and Calculation Worksheet. The FV-95 is the Federal-State Inspection Service Peanut Inspection Notesheet. Both forms are signed by the inspector at the buying point.**

If the value per pound has not been calculated (or incorrectly calculated) on FSA-1007, use the following procedure.)

For Segregation II and III peanuts, the value per pound will be 35 percent of item 22. Strike through the entry, enter Seg. II or III and the adjusted value per pound.

Contact your local FSA county office for all pertinent premium and discount figures or refer to website address, <http://www.fsa.usda.gov/dafp/psd/peanut.html>

1. **Insured's Name:** Name of the insured that identifies EXACTLY the person (legal entity) to whom the policy is issued.
2. **Policy Number:** Insured's assigned policy number.
3. **Unit Number:** Five-digit number from the Summary of Coverage after it is verified to be correct (e.g., 00100).
4. **Crop Year:** Crop Year, as defined in the policy, for which the claim has been filed.
5. **Serial Number:** Serial Number from the applicable form for the load.
6. **Type:** Type code from the actuarial documents for the peanuts identified on the form as Runner, Spanish, Valencia, or Virginia.
- *** 7. **Seg.:** Record the Segregation as Seg. I, Seg. II, or Seg. III from the FSA-1007 (FV-95, as applicable) or other acceptable sales record.
8. **Premium or Discount:** Record the grade for SMK + SS in column identified as such (e.g., 68 from the applicable form). In the column identified as + or -, record the premium or discount for the type and grade (e.g., 68 SMK + SS for Runners equals -24.89). Obtain the values from FSA.
- *** 9. **Damage:** **Obtain from FSA and** record the percent damage and the deduction in dollars and cents or enter 0.00 if no deductions for such damage. **If deduction is not provided for the applicable amount of damage, use the actual premium or discount applied by the buyer.**
10. **Foreign Material:** Record the percent of Foreign Material and the deduction in dollars and cents for such foreign material (e.g., 8% damage equals a \$4.00 deduction).
11. **Sound Splits:** Record the percent of Sound Splits and the deduction for excess splits (e.g., 4% sound splits equals no deductions).
12. **% Other Kernels:** Record the % Other Kernels and the premium in dollars added for the % Other Kernels (e.g., 4% = \$5.60).

EXHIBIT 1

13. **Virginia Peanuts Only:** Record the % ELK Per Ton and the premium amount in dollars added for Virginia peanuts ONLY (e.g., 50% = \$17.50).
14. **Net Premiums and Discounts:** Record the results, as a + or – figure, of calculating columns 8 thru 13 for each type of peanuts.
15. **Loan Rate:** Record the per ton Loan Rate for the type announced by the U.S. Department of Agriculture. The national Loan Rate can be accessed at:
<http://www.fsa.usda.gov/dafp/psd/peanut.html>.
16. **Net Loan Value:** Calculate the Net Loan Value (Loan Rate (column 15) + or – result contained in (column 14)).
17. **Value Per Lb. Exc. LSK:** Divide the Net Loan Value (column 16) by 2000, and enter the result to four decimal places.
- *** 18. **Net Weight Exc. LSK:** Enter the Net Weight Excluding LSK from item I of FSA-1007 or net weight excluding LSK from FV- 95.
- *** 19. **LSK Pounds:** Enter LSK pounds from item H of the FSA-1007 or pounds of LSK from FV – 95.
- *** 20. **Net Weight:** Enter the Net Weight from item G of the FSA-1007 or net weight from the FV – 95.
21. **LSK Value Per Lb.:** Enter \$.07 as the value per pound of LSK.
22. **Value Per Lb. Inc. LSK:** Compute value as follows: Multiply **Value Per Lb. Exc. LSK** (item 17) X **Net Weight Exc. LSK** (item 18) plus **LSK pounds** (item 19) X **LSK Value Per Lb.** (item 21). Divide by the **Net Weight** (item 20). Enter the results in item 22 and in Value Per Pound (H₁) Section II of the TPC Production Worksheet.