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PREVENTED PLANTING LOSS ADJUSTMENT STANDARDS HANDBOOK

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2001 and Succeeding Crop Years

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FEDERAL CROP INSURANCE HANDBOOK		NUMBER: 25370
SUBJECT: PREVENTED PLANTING (PP) LOSS ADJUSTMENT STANDARDS HANDBOOK 2001 AND SUCCEEDING CROP YEARS	DATE: March 19, 2001	
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	APPROVED: /s/ Tim B. Witt Deputy Administrator, Research and Development	

THIS HANDBOOK CONTAINS THE OFFICIAL FCIC-APPROVED LOSS ADJUSTMENT STANDARDS FOR PREVENTED PLANTING FOR THE 2001 AND SUCCEEDING CROP YEARS. IN THE ABSENCE OF INDUSTRY-DEVELOPED, FCIC-APPROVED PROCEDURE FOR PREVENTED PLANTING FOR 2001 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 **redlined**. Three stars (***) identify information that has been removed.

Changes:

The identified changes are based on the prevented planting (PP) procedures found in Part 5 of the Loss Adjustment Manual (LAM) for the 2000 crop year. The PP procedures were removed from the LAM for the 2001 crop year and used to develop this handbook.

- A. Deleted procedures that were specific to the Basic Provisions 98-BR, and deleted references that indicated specific parts of these procedures were specific to 99-BR.
- B. Reformatted the PP procedures to conform to the format used for the crop loss adjustment standards handbooks.
- C. Restructured the sentence in subsection 4 C (2). Moved language about drought, irrigated, and non-irrigated practices to this location. Also, added more information about an irrigated practice as it relates to PP when there is not a reasonable probability of having an adequate irrigation water supply to insure the acreage under an irrigated practice. Additionally, added an example of when an insured was eligible for a PP payment but because of the insured's subsequent actions becomes ineligible for a PP payment.

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SUMMARY OF CHANGES/CONTROL CHART (Continued)

- D. Added “NOTE 1” under subsection 4 C (4) to indicate the insured is not required to plant a crop during the late planting period even though they could have planted a crop during the late planting period. Also, added in “NOTE 2” that acreage prevented from planting prior to the final planting date or late planting period (if applicable) and is subsequently planted after the late planting period (final planting period if late planting period is not applicable) is considered late planted acreage rather than PP acreage. Additionally, added information about what the guarantees are for such acreage.
- E. Added language to subsection 4 C (6) indicating that the premium discussed is the gross premium less FCIC subsidy.
- F. Revised subsection 4 E to indicate that for: (1) hybrid sorghum seed it is the per-acre amount of insurance rather than per-acre production guarantee; (2) peanuts, a higher PP guarantee of 55 or 60 percent of the per-acre production guarantee can be elected by the insured if done so by the sales closing date; and (3) onions, only 45 percent of the final stage per-acre production guarantee is available as the PP guarantee.
- G. Added to the “NOTE” in subsection 4 F (1) (b) examples of when acreage would not be considered available for planting.
- H. Deleted the paragraph previously entitled “Irrigated Practice” since the same language is in subsection 4 G (11).
- I. Added an example in subsection 4 G (4) to help clarify the number of years that might be needed for verification purposes of double-cropped acreage.
- J. Revised the word “should” to “must” and the word “corrected” to “revised” in the “NOTE” underneath subsection 4 G (12).
- K. Added an example in subsection 4 H (1) (a) to illustrate when an insured would not be eligible for a payment associated with the crop loss.
- L. Added and revised language in 4 H (2) to indicate or provide: (1) that generally, an insured would not be eligible for a PP guarantee when there is an existing forage stand. However, in unique situations, the insured may be eligible for a PP guarantee; (2) that the insured must be able to demonstrate his/her intent to destroy the existing forage stand and that the reason they did not was due to an insured cause; (3) an example stating that the insured must be able to provide documentation that the reason a recommended step and time for chemically or mechanically destroying, or chisel plowing the existing forage crop was due to an insured cause; (4) when an existing forage crop can be utilized as a cover crop; and (5) that the insured must provide documentation/proof to the insurance provider’s satisfaction the acreage would qualify as “Insurable Acreage” under the applicable policy provisions.

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SUMMARY OF CHANGES/CONTROL CHART (Continued)

- M. Added a “NOTE” at the end of subsection 4 J to advise the adjuster to take extra caution in verifying eligibility for a PP payment when the insured claims that the crop planted on the acreage reported as PP is a cover crop and the claimed cover crop is a crop that is commonly planted for purpose of silage, grazing, hay, etc., in the area or for the type of farming operation the insured has. Also, added items that may be verified when such situations exist.
- N. Revised the language in subsection 6 D to indicate the insured must complete and submit an Intended Acreage Report to the insurance provider. Also, removed language indicating that this Intended Acreage Report is not to be confused with the Intended Acreage Report in the CIH since the Intended Acreage Report discussed in the CIH can be used for this purpose also. Also, added that for the purpose of determining eligible PP acres, the total number of acres reported on the Intended Acreage Report cannot exceed the number of acres of cropland (land available for planting).
- O. Clarified in subsection 6 F (4) that eligible PP acres can be planted to an approved cover crop.
- P. Revised acreage report examples in subsection 6 H, as follows: (1) In the first example in the table, revised to state that when a different crop is planted for harvest then the crop originally reported as PP and the different crop that was planted was not timely reported, it can only be added to the acreage report if a crop inspection is performed and the crop meets the criteria for accepting the unreported acreage; (2) in the sixth example, updated how the acreage report would be revised, (3) in the seventh example, made some revisions to the “IF” situation, and in the “Then” box revised the example of how the acreage report could be revised to allow the liability to increase but not the total acres, and (4) deleted the last example due to confusion of the example.
- Q. Updated the title in subsection 7 B and the text within this subsection so that both are reflective of the notice requirements stated in the PP policy provisions.
- R. Added to subsection 8 A that when there is only a minimal number of insureds in a particular area/county that report PP for a crop, it is recommended that as early an inspection as possible be done so the insurance provider can ensure that there was an insured cause of loss that prevented planting.
- S. Deleted part of the language and revised the remaining language in section 9 regarding replanting payment eligibility.
- T. Removed the paragraph entitled “Hail/Fire Exclusion” since this is only applicable to planted acreage. This was applicable when there were provisions for PP payments of a substitute crop planted on the acreage that was prevented from planting to another crop. Since the current Basic Provisions do not contain provisions for PP payments for substitute crops, this part was removed from procedures. When the Basic Provisions are updated to include the substitute crop language in the PP provisions, this section may be added back to the PP procedures.

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SUMMARY OF CHANGES/CONTROL CHART (Continued)

- U. Revised subsection 10 H so that it is specific to finalizing only PP payment claims and named some verifications/determinations that the adjuster and insurance provider are to be satisfied with before a PP payment claim is finalized.
- V. Revised examples and added a “NOTE” in subsection 11 C to state that cropland, as is used in the examples, is only for cropland that is available for planting and referenced the reader to subsection 4 F (b) for additional information about acreage that is and is not considered available for planting.
- W. Revised in subsection 11 E, the following: (1) Revised the first “NOTE” to indicate the PP-acre amount for revenue-type plans of insurance such as CRC, RA, etc., are to be calculated in accordance with the applicable policy provisions for the respective plan of insurance; (2) Also, added to the first note that when determining if peanuts had the closest per-acre PP payment to the crop prevented from planting, the non-quota price election is to be used to make this determination; and (3) Added a “NOTE” indicating that in counties having both fall and spring wheat final planting dates, eligible PP acres are based on the total acres of all wheat types; however, the PP payment is based on the spring type only.
- X. Revised, in subsection 12 A, the examples for PP payments for peanuts due to quota and non-quota price elections, including in Example 3, instructions for prorating the quota between timely and PP acreage when the total guarantee for these acreages exceeds the total amount of quota for the farm. Also, added Example 4 to provide instructions for prorating the quota when there was timely-planted, late-planted, and prevented planted acreage, and the total guarantee for these acreages exceed the total amount of quota for the farm.
- Y. Clarified subsection 12 B to better explain the effect of the PP payment on effective poundage marketing quota.

Control Chart For: Prevented Planting Loss Adjustment Standards Handbook						
	SC Page(s)	TC Page(s)	Text Page(s)	Reference Material	Date	Directive Number
Current Index	1-4	1-2	1-36	N/A	03-2001	FCIC-25370

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1. INTRODUCTION

This handbook identifies the procedural requirements for adjusting Multiple Peril Crop Insurance (MPCI) **prevented planting** losses in a uniform and timely manner. These procedures, which include prevented planting claim 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 re-issuance 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 for the loss adjustment inspection:

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

NOTE: 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 loss adjustment of prevented planting claims and this handbook, which are not defined in this section, are defined as they appear in the text.

3. GENERAL INFORMATION

Prevented planting (PP) provisions are contained in the Basic Provisions. These provisions provide PP coverage, unless the specific crop provisions or Special Provisions specifies otherwise.

4. PP COVERAGE AND ELIGIBLE ACREAGE

A. ELIGIBLE CROPS

PP coverage is applicable to the following crops: barley, canola/rapeseed, corn, cotton, ELS cotton, crambe, dry beans, dry peas, flax, grain sorghum, green peas, hybrid seed corn, hybrid sorghum seed, mustard, oats, onions, peanuts, popcorn, central and southern potatoes, northern potatoes, processing sweet corn, processing beans, rice, rye, safflowers, soybeans, sugar beets 1/, sunflower seed, and wheat.

1/ PP is not available in California counties with an April 30 Contract Change Date and a July 15 Cancellation Date.

B. INSURANCE PERIOD

(1) The insurance period begins:

- (a) For First Year Crop Coverage: on the sales closing date for the insured crop in the county for the crop year the producer's application is accepted.
- (b) For Continuous Crop Coverage (not terminated or canceled for a crop year): on the sales closing date for the insured crop in the county for the prior crop year.

NOTE: Transfer of coverage (cancellation/re-write) to a different insurance provider **or a different plan of insurance (from MPCCI to CRC, RA, etc.)** is still considered continuous coverage.

(2) The insurance period ends for PP acreage the earlier of the calendar date for the end of the insurance period or the date the claim is finalized for the PP acreage.

C. CRITERIA FOR PP PAYMENTS

PP payments are provided if:

- (1) The insured crop cannot be planted with proper equipment by the final planting date* designated in the Special Provisions for the insured crop in the county. The insured may also be eligible for a PP payment if the insured failed to plant the insured crop with the proper equipment within the late planting period (ELS cotton, and winter wheat in counties with only a fall planting date, do not have a LP period);

***NOTE:** (latest final planting date for the crop in the county for barley, oats, and wheat)

- (2) The insured was prevented from planting the insured crop due to an insured cause of loss **that is general in the surrounding area and that prevents other producers from planting acreage with similar characteristics. The insured cause that prevented planting must have occurred during the PP insurance period. Refer to subsection B above for PP insurance period.**

Drought or failure of the irrigation water supply will be an insurable cause of loss for PP purposes only if on the final planting date (or within the late planting period if the insured elects **(intent was)** to try and plant the crop):

- (a) For non-irrigated acreage, the area that is prevented from being planted has insufficient soil moisture for germination of seed and progress toward crop maturity due to a prolonged period of dry weather. Prolonged precipitation deficiencies must be verifiable using information collected by sources whose business it is to record and study the weather, including but not limited to, local weather reporting stations of the National Weather Service; or
- (b) For irrigated acreage, there is not a reasonable probability of having adequate water to carry out an irrigated practice. **The insured cause that reduces the amount of irrigation water available MUST occur within the insurance period for prevented planting (see subsection B). Note that new policyholders are eligible for prevented planting payments only if the peril insured against occurred after the sales closing date for the current year.**

NOTE: Insureds that are prevented from planting under an irrigated practice are not required to plant under a non-irrigated practice when both irrigated and non-irrigated rates are available for the crop/county.

EXAMPLE OF WHEN AN INSURED WAS ELIGIBLE FOR A PP PAYMENT BUT THROUGH THE INSURED'S ACTIONS IS LATER DECLARED TO BE INELIGIBLE FOR A PP PAYMENT

The insured was prevented from planting wheat by the final planting date. The insured reports prevented planting wheat, and plants wheat after the final planting date for the purpose of a cover crop (not for harvest as grain). In this instance since wheat is an approved cover crop, the insured is eligible for a PP payment for wheat if all other eligibility requirements are met. However, if the insured harvests the crop as grain, the insured is no longer eligible for a PP payment on such wheat acreage. If a PP payment has already been made to the insured, the acreage report must be revised to remove the PP acres for this wheat acreage, and a corrected claim must be processed to set up an overpayment for the PP payment for this wheat acreage.

- (3) The acreage of the insured crop that was prevented from being planted is listed on a timely submitted acreage report. **(Refer to section 6.)**
- (4) The insured did not plant the insured crop during or after the late planting (LP) period.

NOTE 1: Insureds are not required to plant the insured crop during the late planting period even if they could have planted during the late planting period.

NOTE 2: When acreage, due to an insurable cause occurring within the insurance period for PP coverage, was prevented from being planted to the insured crop by the final planting date (or during the LP period, if applicable) is subsequently planted to the insured crop AFTER the LP period (or after the final planting date for crops that do not have a LP period), 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, 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).

- (5) There is enough eligible PP acreage (after deducting planted acreage) to cover the unplanted acreage. (Refer to **subsection 4 F and G.**)
- (6) 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 5.**)

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 if the insured does not elect an available PP coverage level percentage on or prior to the sales closing date.
- (2) The actuarial documents may contain additional levels of PP coverage the insured may purchase for the insured crop on or before the sales closing date.
- (3) If the insured has a CAT Endorsement for any crop, the additional levels of PP coverage will not be available for that crop.
- (4) The insured may not increase the elected or assigned PP coverage level percent for any crop year if a cause of loss that will or could prevent planting is evident prior to the time the insured wishes to change his/her PP coverage level percent.

E. PRODUCTION GUARANTEES

IF ACREAGE IS PREVENTED FROM PLANTING TO THE INSURED CROP...	THEN THE GUARANTEE IS...
<p>, and acreage is left idle or planted to a cover crop not to be harvested (cover crop can be hayed* or grazed - Refer to subsection 4 J below for acceptable cover crops)</p> <p>* NOTE: haying includes silage, forage, haylage, and green chop.</p>	<ul style="list-style-type: none"> • 60, 65, * or 70 * percent of the per-acre production guarantee for timely planted acres of barley, corn, canola/rapeseed, crambe, dry beans, dry peas, flax, grain sorghum, mustard, oats, popcorn, rye, safflowers, soybeans, sunflower seed, and wheat. • 60, 65, * or 70 * percent of the per-acre amount of insurance for timely planted acres of hybrid sorghum seed. • 50, 55, * or 60 * percent of the per-acre amount of insurance for timely planted acres of hybrid seed corn, cotton, and ELS cotton. (Note: production guarantee for cotton and ELS cotton is based on the solid planted approved APH yield.) • 50, 55,* or 60* percent of the per-acre production guarantee for timely planted acres of peanuts. • 45, 50, * or 55* percent of the per-acre production guarantee for timely planted acres of rice. • 45, 50,* or 55* percent of the <u>final stage</u> per-acre production guarantee for timely planted acres of sugar beets. • 45 percent of the <u>final stage</u> per-acre production guarantee for timely planted acres of onions. • 40, 45,* or 50* percent of the per-acre production guarantee for timely planted acres of green peas, processing sweet corn, and processing beans. • 25, 30,* or 35* percent of the per-acre production guarantee for timely planted acres of central and southern potatoes and northern potatoes. <p>* If the insured has additional coverage and elects one of these higher PP coverages by the sales closing date.</p> <p>NOTE: PP coverage for double-cropped acreage is not available for CAT.</p> <p>NOTE: 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).</p>

F. ELIGIBLE ACRES

(1) Acreage eligible for PP must be:

- (a) Insurable.
- (b) Available for planting.

NOTE: 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. **Acreage not considered available for planting includes, but is not limited to, the following: (1) acreage enrolled in CRP, (2) perennial crop acreage; i.e., trees or vines still on the acreage or not removed in time to plant, and (3) permanent pasture acreage.**

- (c) Acreage for which the insured can provide evidence that there was intent to plant an insured crop. Evidence that the insured had previously planted the crop on the unit will be considered adequate proof unless the insured's planting practices or rotational requirements show the acreage would have remained fallow or would have been planted to another crop.

(2) Maximum eligible acreage for ALL crops.

The maximum is the TOTAL number of acres eligible for PP coverage for ALL crops. This total cannot exceed the number of cropland acres in the insured's farming operation for the crop year, unless the insured is eligible for PP coverage on double-cropped acreage. **Refer to subsection G (4) below.**

Continued on the next page

(3) Maximum eligible acreage for each crop.

TYPE OF CROP:	Eligible acres if, in any of the 4 most recent policy crop years, the insured has planted ANY crop in the county for which PP insurance was available or has received a PP insurance guarantee:	Eligible acres if, in any of the 4 most recent policy crop years, the insured HAS NOT planted ANY crop in the county for which PP insurance was available or has not received a PP insurance guarantee:
<p>For crops not required to be contracted with a processor to be insured.</p> <p>Applicable crops not requiring processor contracts are as follows:</p> <p>Barley, canola/rapeseed, corn, cotton, ELS cotton, dry beans*, dry peas*, flax, grain sorghum, oats, onions, peanuts, central and southern potatoes, northern potatoes, rice, rye, soybeans, safflowers, sunflower seed, and wheat</p> <p>*This does not include contract seed beans or contract seed peas. See contract seed beans or contract seed peas below.</p>	<p>The maximum number of acres certified for APH purposes or reported for insurance for the crop in any one of the 4 most recent policy crop years (not including reported PP acreage that was planted to a substitute crop other than an approved cover crop).</p> <p>The number of acres determined above for a crop may be increased by multiplying it by the ratio of the total cropland acres that the insured is farming in the current policy crop year (if greater) to the total cropland acres that the insured farmed in the previous year, provided that the insured submits proof to the insurance provider that for the current policy crop year the insured has purchased or leased additional land or that acreage will be released from any USDA program which prohibits harvest of a crop. Such acreage must have been purchased, leased, or released from the USDA program in time to plant it for the current policy crop year using good farming practices. No cause of loss that will or could prevent planting may be evident at the time the acreage is purchased, leased, or released from the USDA program.</p>	<p>The number of acres specified on an intended acreage report submitted to the insurance provider by the sales closing date for ALL crops insured for the policy crop year and that is accepted by the insurance provider. The total number of acres listed (for all crops) cannot exceed the number of acres of cropland in the insured's farming operation at the time the intended acreage report is submitted. The number of acres determined above for a crop can only be increased by multiplying it by the ratio of the total cropland acres that the insured is farming in the current policy crop year (if greater) to the number of acres listed in the intended acreage report, if the insured submits proof to the insurance provider that for the current policy crop year the insured has purchased or leased additional land or that acreage will be released from any USDA program which prohibits harvest of a crop. Such acreage must have been purchased, leased, or released from the USDA program in time to plant it for the current policy crop year using good farming practices. No cause of loss that will or could prevent planting may be evident at the time the acreage is purchased, leased, or released from the USDA program.</p>

TYPE OF CROP:	Eligible acres if, in any of the 4 most recent policy crop years, the insured has planted ANY crop in the county for which PP insurance was available or has received a PP insurance guarantee:	Eligible acres if, in any of the 4 most recent policy crop years, the insured HAS NOT planted ANY crop in the county for which PP insurance was available or has not received a PP insurance guarantee:
<p>For crops that require a processor contract in order for the crop to be insured.</p> <p>Applicable crops requiring processor contracts are as follows:</p> <p>Crambe, hybrid seed (corn), hybrid sorghum seed, contract seed beans under the dry bean crop provisions, mustard, contract seed peas under the dry pea crop provisions, green peas, popcorn, processing sweet corn, processing beans, and sugar beets.</p>	<p>The number of acres specified in the processor contract, if the contract specifies a number of acres contracted for the policy crop year; or</p> <p>The result of dividing the quantity of production stated in the processor contract by the insured's approved yield, if the processor contract specifies a quantity of production that will be accepted. (For the purposes of establishing the number of PP acres, any reductions applied to the transitional yield for failure to certify acreage and production for four prior years will not be used.)</p>	<p>The number of acres specified for the crop in the processor contract, if the contract specifies a number of acres contracted for the policy crop year; or</p> <p>The result of dividing the quantity of production stated in the processor contract by the insured's approved yield, if the processor contract specifies a quantity of production that will be accepted. (For the purposes of establishing the number of PP acres, any reductions applied to the transitional yield for failure to certify acreage and production for four prior years will not be used.)</p>

- (4) Any eligible acreage determined in accordance with the table in **subsection F (3)** above will be reduced by subtracting the number of acres of the crop (insured and uninsured) that are timely and late planted.
- (5) PP acreage is established when insureds report their acreage by the acreage reporting date. **Refer to section 6** for acreage reporting information and **section 11** for information about verifying eligibility of reported PP acreage and examples thereof.

- (6) If an insured has **an** additional coverage policy for a crop **and** executes a High Risk Land Exclusion Option that separately insures high-risk **land** acreage for that crop under a CAT policy, the maximum number of acres eligible for a PP payment will be limited for each crop policy as specified in **subsection 4 F and G**.
- (7) If the insured is prevented from planting a crop for which the insured does not have an adequate base of eligible PP acreage, as determined in accordance with the table in **subsection F (3)** above, the:
 - (a) PP production guarantee or amount of insurance, premium, and PP payment will be based on the crops insured for the current crop year, for which the insured has remaining eligible PP acreage;
 - (b) crops used for this purpose will be those that result in a PP payment **most similar (closest)** to the **per acre** PP payment that would have been made for the crop that was prevented from being planted; and
 - (c) PP payment may or may not be made from crop eligibility that is in the same physical location as the acreage that was actually prevented from being planted. For example, the land upon which the crop was prevented from being planting may be located in **legal** section 12 and the crop and unit for which the PP payment is the most similar may be associated with **legal** section 10. **Refer to** example in **subsection 11 E**.

G. ACREAGE WHICH IS NOT ELIGIBLE FOR PP COVERAGE

Regardless of the number of eligible acres determined from using the table 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).

NOTE: 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, unless 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 within any of the 4 most recent policy crop years;

- (2) For which the actuarial documents do not designate 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;

- (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 policy crop year (excluding share arrangements), unless the insured has coverage greater than CAT coverage and for the insured crops has records of acreage and production that are used to determine the insured's approved yield that show the acreage was double-cropped in each of the last four years in which the insured crop was grown on the acreage (If one of the crops being double-cropped is not insurable **or is a non-APH crop**, verifiable records of it being planted, other than APH records, may be used.);

EXAMPLE: If an insured claims PP on double-crop soybeans, the insured must be able to prove that in the 4 previous years that soybeans were double-cropped on the acreage for which PP is being claimed. More than four calendar years may need to be considered since soybeans may not have been planted in each of the last 4 years. If the insured planted soybeans in a single crop situation on the claimed PP acreage three years ago, this would break the double-cropping sequence, and the insured would not be eligible for PP for double-crop soybeans on this acreage.

- (a) For the purposes of PP, the following definitions apply:

Double-Cropped Acreage. Acreage is considered to be double-cropped for a policy crop year if a spring-planted crop follows a different fall-planted crop on the same acreage during the same policy crop year (e.g., soybeans or grain sorghum follows a fall-planted wheat crop on the SAME acreage.)

Crop Year Grown. When determining the number of years that insured crops were double-cropped in previous policy crop years, the following situations will be considered the same as if the crop was grown on the affected acreage for that policy crop year. Excluding acreage which was considered to be a substitute crop, the insured crop will be considered to have been grown on acreage which:

- 1 The insured or another person received a prevented planting payment;
- 2 A crop was planted and failed and a benefit was derived under any program administered by the USDA; or
- 3 A crop other than a cover crop (which may be hayed or grazed after the final planting date for the insured crop) was harvested, hayed, or grazed.

- (5) On which the insured crop is prevented from being planted, if any crop from which any benefit is derived under any program administered by the USDA is planted and fails, or if any crop is harvested, hayed, or grazed on the same acreage in the same policy crop year (other than a cover crop which may be hayed or grazed after the final planting date for the insured crop), unless the insured has coverage greater than CAT coverage and has records of acreage and production that are used to determine the insured's approved yield that shows the acreage was double-cropped in each of the last 4 years in which the insured crop

was grown on the acreage; (If one of the crops being double-cropped is not insurable or is a non-APH crop, verifiable records of it being planted, other than APH records, may be used.)

- (6) Of a crop that is prevented from being planted if a cash lease payment is also received for use of the same acreage in the same policy crop year (not applicable if acreage is leased for haying or grazing only);

NOTE: If the insured falsely states that he/she did not cash rent the acreage, and he/she claims a PP payment, the insured is subject to civil and criminal sanctions if they do not return the PP payment.

- (7) For which planting history or conservation plans indicate that the acreage would have remained fallow for crop rotation purposes;
- (8) That exceeds the number of acres eligible for a PP payment;
- (9) That exceeds the number of eligible acres physically available for planting;
- (10) For which the insured cannot provide proof that he/she had inputs available to plant and produce a crop with the expectation of at least producing the yield used to determine the production guarantee or amount of insurance; (See **subsection F (1)** above.)
- (11) 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 that practice within the eligible acres determined as described in **subsection 4 F (3) (4) and (5) and subsection 4 G**; or**
- (12) 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 4 most recent policy crop years. Types or varieties for which separate price elections, amounts of insurance, or production guarantees are available must be included in the APH database in at least one of the 4 most recent policy crop years, or crops that do not require yield certification (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 policy crop years, except as otherwise allowed and approved on an intended acreage report as specified in **subsection F (3)** above.

NOTE: Eligible acreage for a crop type or variety is limited to the maximum number of acres allowed for that crop type or variety as specified in **subsection 4 F and G** above. For example: The insured's dry bean history in the 4 most recent policy crop years is 10 acres for black turtle beans and 90 acres for navy beans. If the insured reports 100 prevented planting acres of black turtle beans on his/her acreage report, the acreage report **must be revised** to reflect 10 acres PP for black turtle beans and 90 acres PP for navy beans. The insured would be eligible for 100 acres of PP since no crop was planted, but the PP

payment would have to be based on 10 acres of black turtle beans and 90 acres of navy beans.

- (13) 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 prevented planting section of the policy.

H. PP COVERAGE FOR SPRING CROPS INTENDED TO FOLLOW A FAILED FALL CROP

- (1) 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 (not applicable to CAT) or if all of the following apply:
 - (a) 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);**
 - (b) Failure of the fall-planted crop occurs prior to the time that planting of spring crops normally begins in the county;
 - (c) **No benefit is derived** from the failed fall-planted crop by harvesting it (haying or grazing is allowed after the final planting date for the spring crop); and
 - (d) An insurance policy with PP coverage is in place for the spring crop that is intended to be planted.
- (2) **Generally, an insured would not be eligible for a PP guarantee when there is an existing forage stand.** However, **in certain unique situations**, the insured may be eligible for a PP guarantee when: (1) the insured **can demonstrate his/her intent** to destroy an existing forage stand 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) **ALL** of the following apply:
 - (a) **If forage insurance 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. **If forage insurance 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;**

- (b) The **insured** is not eligible for any payment associated with the forage crop;

NOTE: An existing forage crop that has been reduced such that the forage would not be further cared for by producers in the area and would normally have been removed may be utilized as an acceptable cover crop provided the criteria in subsection J below has been met.

- (c) **Insureds** with acreage of similar characteristics in the surrounding area were prevented from planting;
- (d) The insured provides documentation/proof to the insurance provider'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.

I. ELIGIBILITY FOR A FALL-PLANTED CROP INTENDED TO FOLLOW SPRING-PLANTED CROPS

An **insured** producer may be entitled to a PP payment for a fall-planted crop if **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) and were prevented from planting. In counties that have crops with only spring final planting dates or both fall and spring final planting dates (e.g., Small Grains), the insured crop must be prevented from being planted until the spring final planting date in order to be eligible for a PP guarantee.

J. ACCEPTABLE COVER CROPS

- (1) Acceptable cover crops include the following, provided they are not prior established crops (e.g., alfalfa) and are planted for erosion control, green manure, etc., and are generally left in place for only one growing season:
 - (a) Annual, biennial, or perennial grasses and legumes (legumes such as alfalfa, soybeans, or peanuts are not considered a cover crop except as indicated in subsection H (2) (b) above) including sorghum grass crosses, sudans, and volunteer stands other than weeds.
 - (b) Barley, oats, rice, wheat, and other small grains qualify, provided they are not harvested for grain or seed.
- (2) The approved cover crops may be hayed (chopped for silage) or grazed after the final planting date for the insured crop only if allowed by PP policy provisions, but may not be harvested for grain or seed.

- (3) The above cover crops are commonly recognized in the farming community as cover crops and are consistent with those previously approved by the USDA for FSA administered programs.
- (4) Corn planted for any use is not considered to be a cover crop.

NOTE: 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 original plan 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: (1) That the insured has the inputs to plant the crop claimed as PP, (2) That the insured has a history of planting the cover crop for hay, silage, grazing, etc.; and (3) Whether the insured certified acreage at FSA this crop year and if so, what use is shown for the acreage in question.

5. PREMIUM

The premium for PP is based upon the original per-acre production guarantee for timely planted acreage, less any premium for acreage deleted (by a revised acreage report) that was not eligible for PP coverage. If the premium amount for acreage that the insured is required to pay (gross premium less FCIC subsidy) for PP acreage exceeds the liability on such acreage, no premium will be due (coverage will not be provided for those acres and no indemnity will be paid for such acreage).

6. ACREAGE REPORTING

The acreage report is the primary tool for implementing the LP and PP provisions, reducing the unit guarantee for LP and PP acreage.

A. INSURED'S RESPONSIBILITIES

With the agent's assistance:

- (1) On or before the final acreage reporting date, report all timely planted, LP, and PP acreage along with any information required to complete an accurate initial acreage report by the final acreage reporting date (also see subsection E below for final acreage reporting dates).
- (2) Report any change in status of any PP acreage, including the planting of PP acreage. A revised acreage report must be prepared by the agent as needed. See subsection H below for revised acreage report examples.
- (3) Identify on the acreage report (or on an attachment) all uninsurable and non-eligible PP acreage and the factors used in that determination; i.e., acreage planted for an uninsurable use (e.g., planted for pasture, etc.), adjustment of reported acreage due to eligible PP acreage limitations, planted for cover crop to be harvested, etc.

NOTE: Acreage planted to the insured crop after the LP period (after the final planting date for crops that do not have a LP period) must be reported appropriately as insured or uninsured acreage and include the date planted.

B. AGENT'S/INSURANCE PROVIDER'S RESPONSIBILITIES

- (1) Verify eligible PP acres.
- (2) Retain documentation of notification and any actions taken for adjuster verification and review.
- (3) Inform insureds that their actions subsequent to finalizing a claim, such as planting a crop for harvest on PP acreage, harvesting a cover crop (other than haying or grazing), may disqualify them from a PP payment or may affect the PP coverage.

C. LOSS ADJUSTER'S RESPONSIBILITIES

For required acreage report spot checks (as identified by FCIC-14010 (Manual 14)) and/or when completing a claim **for a PP payment**, verify eligible PP acreage and whether the correct PP guarantee has been reported and processed.

D. INTENDED ACREAGE REPORT

WHEN, IN THE FOUR MOST RECENT POLICY CROP YEARS, 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 complete and submit an intended acreage report **to the insurance provider** prior to or on the sales closing date for the purpose of determining **potential maximum number** of eligible PP acres. This is not to be considered the final acreage report for reported PP acres. The final date for reporting PP acres is as stated in **subsection E** below. **(For the purpose of determining 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 available for planting in the insured's farm operation at the time the report is submitted.)** The eligible PP acres established by an approved intended acreage report, by crop, cannot be altered when acres are reported at acreage reporting time. For example: if the intended acreage report indicates 1,000 acres of corn, the insured cannot later claim 500 acres of PP corn and 500 PP soybean acres. The PP acres must remain as PP corn. Also, see example in **subsection H** below (revised acreage report examples).

E. ACREAGE REPORTING DATE

- (1) If all insurable acreage is planted by the final planting date, the acreage report is due by the published acreage reporting date for the crop shown in the Special Provisions, unless the insured insures multiple crops. If the insured insures multiple crops with the same insurance provider, the acreage reporting date for all the insured crops will be the latest applicable acreage reporting date for such crops. Acreage reporting dates for fall-planted crops and spring-planted crops are considered two separate reporting dates.

- (2) For LP, PP, or a combination of timely planted, LP, or PP acreage, the acreage report is due the later of: (1) the date for the crop shown in the Special Provisions, or (2) if multiple crops are insured with the same insurance provider, the latest applicable reporting date for such crops (fall-planted and spring-planted are considered two separate reporting dates), or (3) 5 days after the end of the LP period (no LP period for ELS cotton or winter wheat).

NOTE: Filing acreage reports for LP or PP acreage does not extend the policy-stated acreage reporting period nor the 10-week requirement for acreage data transmission for full commission reimbursement.

F. SEPARATE LINE ENTRIES ON ACREAGE REPORT

Separate line entries are required on the acreage report for the following:

- (1) Basic, enterprise, and optional units, and within each unit, separate line entries for differing practices, types, varieties, shares, APH yields, and risk classifications (For whole farm units, a separate line entry is required for each crop and for each crop with differing practices, types, varieties, shares, APH yield, and risk classifications);
- (2) Timely planted acres (full production guarantee);
- (3) LP acres, with a separate line entry for each day of planting during the LP period, or if insurable, acreage planted after the LP period or after the final planting date for crops that do not have a LP period (with a reduced production guarantee based upon the planting date); and
- (4) Eligible PP acres not planted to any crop **other than an approved cover crop**.

NOTE: For the purpose of determining acreage eligible for PP coverage, the total amount of PP and planted acres cannot exceed the maximum number of acres eligible for PP coverage.

G. IDENTIFYING PP ACREAGE ON ACREAGE REPORT

For...	Enter...
acreage not planted to any crop (can be planted to cover crop not to be harvested (can be hayed or grazed after the final planting date for the insured crop))	as instructed by the insurance provider, the respective PP coverage codes "P2, PF, or PT" or respective PP coverage percentage. (The appropriate guarantee will be applied by line.) Refer to PP codes in Table in subsection 10 A . NOTE: Such acreage will NOT be counted for APH purposes.

H. REVISED ACREAGE REPORTS

The following revisions are those that should be made by the agent when the insured does something other than the intentions reported on the acreage report; e.g., (cover crop not harvested, cover crop harvested, or intended crop planted after the LP period). However, if it is discovered during the loss adjustment inspection that the acreage report had not been revised to reflect what was actually done, the adjuster/insurance provider may need to revise the acreage report.

If all the PP acres reported for the unit are PP acres that are found to be ineligible for PP coverage, the acreage report must be revised. However, if there is a combination of planted and PP acres, revised acreage reports to delete ineligible PP acres do not have to be made by the adjuster/insurance provider at the time the indemnity is worked, unless the insurance provider's claim processing system will not **automatically**:

- (1) refund excess premium, **and**
- (2) reduce the liability to the "determined liability" for over-reported PP acres.

EXAMPLE:

The liability calculated from the acreage report for the unit is \$180 (\$100 for LP acreage and \$80 for PP acreage). However, the "determined acres" liability is \$150 (\$100 for LP and \$50 for PP acreage). Premium would be refunded for the over-reported PP acres.

NOTE: Revisions to raise liability at loss time are not permitted except as noted in the examples below and as stated in Part 2, Section 3 **of the LAM**. For example, if there had been an obvious inadvertent error in switching the reported PP and timely planted acres, a revision to raise liability could be made. (The following might be considered an inadvertent error, reported 60 PP acres and 40 timely planted acres, but it was actually just the opposite.)

Continued on the next page

IF...	THEN...
<p>PP acreage initially reported to be left idle or to be planted to a cover crop not for harvest, but is planted to another crop to be harvested</p>	<p>revise the acreage report to delete PP acreage, unless the insured has additional coverage and the acreage meets the double crop requirements (refer to subsection 4 G (4)). If the planted acreage has not already been reported and the insured has a policy in effect for the planted crop, 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.</p>
<p>PP acreage reported with intent to plant cover crop (not for harvest), but the insured decides to harvest the cover crop</p>	<p>revise the acreage report to delete the PP acreage.</p> <p>If the insured harvests the cover crop without revising the acreage report and it is subsequently discovered during a loss inspection that the insured harvested the cover crop, the determined PP acreage on the claim form must not reflect this ineligible acreage.</p>
<p>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).</p>	<p>Refer to subsection 11 E for example.</p>
<p>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</p>	<p>revise the acreage report to show 10 acres of PP acres for black turtle beans and 90 acres PP for navy beans.</p>
<p>acreage reported as PP is found to not be eligible for PP coverage</p>	<p>revise the acreage report to delete such acreage from the acreage report.</p>

7. NOTICE REQUIREMENTS

A. INSURED'S REQUIREMENTS

If prevented from planting, the insured must report on or before the acreage reporting date.

B. ACREAGE REPORT/PP NOTICE OF LOSS

A notice of loss for PP acreage in an insurance unit is accomplished through the filing of the acreage report. From this notice, a **field** inspection(s) will be conducted as indicated in **section 8**.

8. FIELD INSPECTIONS

A. GENERAL INFORMATION

Field inspections are to be performed as needed to document acreage planted to the insured crop, planted to other crops, and/or left as PP acreage. **In areas where only a minimal number of insureds turn in prevented planting claims, as early an inspection as possible (earlier than stated in subsection B (1) or (2) below if at all possible) is recommended so that the insurance provider can ensure that there was an insured cause of loss that prevented the reported PP acres from being planted.**

B. FIELD INSPECTIONS FOR UNITS CONTAINING PP ACRES

On units containing PP acres, at least one field inspection is suggested to be made by the earlier of:

- (1) Fifty-five (55) days after the final planting date (the latest planting date for the crop in the county for spring-seeded barley, oats or wheat) for the insured crop, or
- (2) 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 6 H**), and it may be possible to finalize the claim. **Refer to subsection 10 D**.

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	<p>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 (left idle or planted to a cover crop (not harvested, but can be hayed and grazed after the final planting date for the insured crop).</p> <p>(Applicable policy percentage is 60 percent coverage for all crops eligible for PP except: hybrid seed corn, cotton, ELS cotton, and peanuts (50 percent); onions, rice, and sugar beets (45 percent); green peas, processing beans, and processing sweet corn (40 percent); and potatoes (central and southern and northern) (25 percent).)</p>
PF	<p>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 sales closing date and acreage of the insured crop is prevented from planting (left idle or planted to a cover crop (not harvested), but can be hayed and grazed after the final planting date for the insured crop).</p>
PT	<p>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 sales closing date and acreage of the insured crop is prevented from planting (left idle or planted to a cover crop (not harvested), but can be hayed and grazed after the final planting date for the insured crop).</p>
PA	<p>Indicates “planted acres;” i.e., not prevented from planting. Used only when a claim is prepared solely as a PP payment.</p>
“P2P,” PFP,” or PTP”	<p>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 prevented planting 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.”</p>

B. 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 & Number	Entry Instruction
“Date Harvest Completed” column of the claim form	<ul style="list-style-type: none"> • If the insured crop was prevented from being planted to the intended crop and no crop was planted on the insured acreage on the unit, enter P2, PF, or PT as appropriate for the insured’s selected PP coverage. • If acreage was planted to the insured crop, determine the entry as instructed in the appropriate crop handbook.
“Stage” column of the claim form	<ul style="list-style-type: none"> • When acreage is eligible PP acreage, enter the appropriate PP code. • If the claim is being prepared solely for a PP payment, enter “PA” for any acres that have been planted. • 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.” <p>See codes in Table in subsection A above.</p>
“Intended or Final Use” column of the claim form.	<ul style="list-style-type: none"> • If PP code in the “Stage” column is “P2,” enter “P2.” • If PP code in the “Stage” column is PF, enter “PF.” • If PP code in the Stage column is “PT,” enter “PT.” • If code in the Stage column is “PA,” enter “Planted Acres.” (USE ONLY ON CLAIMS PREPARED SOLELY FOR PP PAYMENT.) • If code in the Stage column is “P2F,” “PFP,” or “PTP,” enter “Prev. Paid.”

C. APH FOR PP ACREAGE

PP acreage will NOT be included in APH records when there are planted and PP acres within the same unit; e.g., 100 acres PP and 200 acres planted within the same unit - only the 200 planted acres will be reported on the APH record for the unit. If none of the acreage for the unit was planted, it will be considered a zero-planted year for APH record purposes.

D. INDEMNITY AND/OR PP PAYMENT DETERMINATIONS

(1) Planted Acreage (timely or LP)

- (a) Any harvested or appraised production from the insured crop, regardless of when planted, will be counted against the unit guarantee for timely and/or LP acreage UNLESS it is production from acreage that was planted for an uninsured use, planted on uninsurable land, and/or planted after the LP period and is not insurable - (Refer to Part 5 of the LAM regarding Late Planting Coverage, and subsection 4 C (4) of this handbook) . If the crop was planted for an originally insured use (e.g., corn for grain) and:

- 1 Harvested for such use, the production will be counted on that basis (bushels of grain).
- 2 Subsequently put to another use, an appraisal must be made on the basis of the original intended use. If notice was not given prior to destruction of the crop or harvest for another use, not less than the appropriate guarantee will be assessed on such acreage.

- (b) Production from uninsured acreage of the insured crop MUST be kept separate or it will be considered production to count for the insured acreage.

(2) PP Acreage

The guarantees for timely, LP, and PP acreage are determined separately. Production from planted acreage (timely and LP) is not counted against the PP guarantee.

(3) Claims

A claim for a PP payment can be made separate from a claim for timely and LP acres or they can be combined onto one claim form.

(a) **PP Payment Claim**

When preparing a separate claim for a PP payment, the PP acreage and PLANTED acres must be shown on the claim form. For example, 70.0 acres were planted and 30.0 acres were prevented from planting. The line with the 70 “planted” acres will show the appropriate entries in the “Stage and “Intended Use” columns as indicated in the tables in subsections A and B above. The line with the 30 PP acres will be coded “P2,” “PF,” or “PT” respectively in the “Stage” and “Intended Use” columns. The “Total” final acres for the unit will be 100.0 acres. Only the line of PP acres will be transmitted to the RMA Data Acceptance System.

(b) **Indemnity Payment (planted acres) Claim**

If a PP Claim has already been prepared and submitted previous to an Indemnity Payment (planted acres) Claim, or the insurance provider prefers that separate claim forms are prepared for each type of claim, list the planted acres as instructed in the appropriate crop handbooks. List the PP acres for which a separate claim form has already been prepared, and make the appropriate entries (as instructed in subsections A and B above) in the “Stage” and “Intended Use” columns that indicate the PP payment has already been made. This would also include acreage planted after the LP period due to an insured cause that prevented planting prior to the respective crop’s final planting date or during the LP period for the respective crop.

For example, there are 100 acres in the unit. A separate PP payment was previously paid on the 30 acres. The 70 acres of planted acres have been harvested. On the line with the 70 acres, the entry in the “Stage” column would be “H” and the Intended Use” would be “H.” On the line showing the 30 acres of previously paid PP acres (60% PP coverage), the “Stage” column entry would be “P2P, ” and the “Intended Use” column entry would be “Prev. Paid.” The entry for “Total” final acres for the unit would be 100.0 acres.

(c) **Combination Indemnity Payment (planted acres) and PP Payment Claim**

If the insured is eligible for a PP payment which has not been claimed previously and an indemnity payment **is due** for the planted acres, a combination of both types of claims can be entered on the same claim form.

- 1 For all lines of planted acres, follow the instructions in the appropriate crop handbook for making the appropriate claim entries.
 - 2 For all lines of PP acres, make the appropriate claim entries as instructed in **subsections A and B** above.
 - 3 The indemnity payment for the planted acres will be determined separately from the PP payment.
- (4) The insurance provider must be reasonably certain that PP acreage is not shared in common between two or more crops insured through different insurance providers before finalizing a claim for indemnity.
- (5) The PP acreage reported on the acreage report for the unit will be considered the PP acres for the unit **UNLESS** ineligible PP acreage was reported. Verify eligible PP acreage as described in **section 11**.

If ineligible PP acreage is reported, the entry for “determined acres” on the claim form for the PP acres must reflect only the **ELIGIBLE** PP acres. The acreage report does not need to be revised during loss adjustment except as stated in **subsection 6 H**.

E. PP PAYMENT CALCULATION

The PP guarantee is separate from the timely and LP guarantees, and the guarantees are not added together to determine the PP payment. The PP payment is considered a separate payment from the indemnity payment. The PP payment is determined as follows:

- per-acre production guarantee (or per-acre amount of insurance if, applicable) for timely planted acreage X
- the price election for the crop (or type if applicable) X
- the PP coverage level elected by the insured X
- the number of eligible PP acres in the unit X
- the insured's share.

NOTE: Refer to section 12 for peanut PP payment calculation examples.

F. 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.

G. MULTIPLE PP PAYMENTS

Only ONE PP payment (excluding share arrangements) can be made for each acre for the crop year for CAT coverage. For additional coverage, only ONE PP payment can be made for each acre for the crop year unless, the insured provides records showing that the acreage and crop has a history of double-cropping in each of the last four years in which the insured crop was grown on the acreage. Double-cropping must be an insurable practice in the county for the crop.

H. FINALIZING CLAIMS

PP payment claims are **not to be finalized UNTIL:**

- (1) The adjuster and insurance provider are satisfied with all verifications/determinations, including, but not limited to:
 - (a) All acres claimed as PP for the insured crop met all acreage eligibility requirements for PP payments;

NOTE: Acres are not eligible PP acres if they are not available for planting; refer to subsection 4 F (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; i.e., was not planted for the purpose of silage, haying, etc., (refer to "NOTE" in subsection 4 J);

- (c) There was an insured peril that prevented the insured from planting the insured crop; and
 - (d) Any other factors that would affect eligibility for a PP payment.
- (2) It is too late to plant any crop on the PP acreage which could be harvested in the same crop year or conditions prohibit soil preparation or seeding the acreage beyond the date any crop could be established to be harvested in the same crop year.

11. VERIFYING ELIGIBLE PP ACREAGE

A. DOCUMENTATION

Factors used in the determination of eligible acreage must be maintained in the insured's file for review.

B. MAXIMUM ELIGIBLE PP ACRES

Determine the maximum number of eligible PP acres by totaling the number of eligible PP acres for ALL crops in the county in which the insured has a share. Refer to [subsection 4 F](#).

C. EXAMPLES OF MAXIMUM ELIGIBLE ACRES FOR THE CONTRACT (COUNTY/CROP)

EXAMPLE 1 - No Added Land (leased, purchased, or transferred out of CRP)	
<u>TOTALS:</u>	<u>Maximum PP Acres by Crop and for ALL CROPS</u>
Cropland* = 900 acres	Corn = 400 acres
Corn History = 400 acres	Soybeans = 400 acres
Soybean History = 400 acres	<u>Wheat = 100 acres</u>
Wheat History = 100 acres	TOTAL = 900 acres eligible
*CRP acres enrolled = 200 acres	for all crops.

***NOTE:** The term “cropland” as used in this example (and for crop insurance purposes) includes ONLY cropland that is available for planting. (Including the CRP acres in the example, there are 1100 total acres. Although, FSA or others might consider this farmland/cropland, it would not be considered cropland for insurance purposes since it is not available for planting.) Refer to subsection 4 F (b) for more information regarding cropland acreage that is available for planting. In the example above, the 200 acres still enrolled in the CRP program are not considered part of the cropland acres eligible for insurance purposes and therefore, are not included in the cropland total in the example above.

EXAMPLE 2 - Added Land (purchased, leased, or transferred out of CRP)

Previous **Crop** Year

700 cropland acres
available for planting the previous year.

350 acres corn history

350 acres soybean history

Added 200 acres of cropland **available for planting** for the current crop year.
(Added land that was purchased, leased, or released from CRP in time to plant
and is available for planting and meets the policy provisions for allowing it for
eligible PP acres and no cause of loss that will or could prevent planting was
evident at the time the land was purchased, leased, or released from CRP.)

Total cropland **available for planting** in current crop year = 900 acres

Calculate the maximum eligible PP acres by crop, as follows:

(1) 900 cropland acres (**available for planting** the current crop year)
700 cropland acres (**available for planting** the previous crop year)
= 1.286 factor

(2) 350/A corn history X 1.286 = 450.1 acres *
350/A soybean history X 1.286 = 450.1 acres*

*** NOTE: Since the sum of 450.1 + 450.1 is greater than the cropland
acres, the acres will have to be adjusted to equal 900 acres.**

Totals, including new land

900 cropland acres **available for
planting**

Maximum PP Acres by Crop and for All
Crops

Corn = 450.0 acres

Soybeans = 450.0 acres

TOTAL = 900.0 acres

eligible for ALL crops

NOTE: The term “cropland” as used in this example includes **ONLY** cropland that is available for planting. Refer to subsection 4 F (b) for more information regarding cropland acreage that is available for planting.

Continued on the next page

EXAMPLE 3 - Added Land - (leased, purchased, or transferred out of CRP)

Previous **Crop** Year

900 acres of cropland acres available for planting the previous year. 300 acres wheat history
400 acres corn history
300 acres soybean history

Added 300 acres of cropland available for planting for the current crop year.
(Added land that was purchased, leased, or released from CRP in time to plant and was available for planting and meets the policy provisions for allowing it for eligible PP acres and no cause of loss that will or could prevent planting was evident at the time the land was purchased, leased, or released from CRP.)

Total cropland available for planting in current crop year = 1200 acres

Calculate the maximum eligible PP acres by crop, as follows:

- (1) $\frac{1200 \text{ cropland acres (available for planting the current crop year)}}{900 \text{ cropland acres (available for planting the previous crop year)}}$
= 1.333 factor
- (2) 400/A corn history X 1.333= 533.2 acres
300/A soybean history X 1.333 = 399.9 acres
300/A wheat history X 1.333 = 399.9 acres

<u>Totals, including new land</u>	<u>Maximum PP Acres by Crop and for All Crops</u>
1200 cropland acres available for planting	Corn = 533.2 acres
	Soybeans = 399.9 acres
	<u>Wheat = 399.9 acres</u>
	*TOTAL = 1333.0 acres
	eligible for ALL crops

*The total exceeds the cropland acres available for planting, so the maximum eligible acres for corn, soybeans, and wheat for this crop year will have to be based on the insured's intent, limited by the policy limitations and cropland acres available for planting. For example, the insured intends to plant 525.0 acres of corn, 375.0 acres of soybeans, and 300.0 acres of wheat, which would be within the maximum eligible PP acres.

NOTE: The term "cropland" as used in this example includes ONLY cropland that is available for planting. Also, see subsection 4 F (b) for more information regarding cropland acreage that is available for planting.

D. EXAMPLES OF REMAINING ELIGIBLE ACREAGE WHEN THERE IS PLANTED AND PP ACREAGE

(1) **EXAMPLE 1**

FSN # 1 (Unit 00101)
100 corn acres planted timely
50 soybean acres timely planted
FSN # 2 (Unit 00102)
100 corn acres planted timely
50 soybeans acres PP
FSN # 3 (Unit 00103)
50 soybean acres LP
100 corn acres planted timely
FSN # 4 (00104)
50 soybean acres LP
100 acres soybeans planted after the LP period due to insured cause preventing planting

4 FSN's with 150 cropland acres each **available for planting** = 600 cropland acres **available for planting**

100 acre corn history on each FSN = 400 acres total corn history.

300 acres soybean history. Insured's potential PP acres was 400 corn and 300 soybeans; however, the combination of the two exceeds the cropland acres **available for planting**, and one of these crop would be limited.

Insured Reports - 300.0 acres corn planted
 250.0 acres soybeans planted
 50.0 acres PP soybeans

Cropland acres **available for planting** - 600 minus 550 planted acres = 50 acres eligible PP acres.
 The 50 PP soybean acres reported meets all of the PP qualifications and is eligible for PP payment.

NOTE: The term "cropland" as used in this example includes **ONLY** cropland that is available for planting. Refer to subsection 4 F (b) for more information regarding cropland acreage that is available for planting.

(2) **EXAMPLE 2**

FSN #1 (Unit 00101)	FSN # 2 (Unit 00102)
100 PP Wheat acres	50 corn acres timely planted
100 PP Soybeans (double-crop)	50 corn LP
100 acres of corn LP	100 corn acres timely planted
100 corn timely planted	100 soybean acres timely planted

2 FSN's (each FSN represent an optional unit)

300 cropland acres **available for planting** in each FSN = 600 total cropland acres

Wheat History = 100 acres
Corn History - = 400 acres
Soybean History - = 100 acres
DC Soybean History = 100 acres (acceptable DC history)

Insured reports: Units:

00101 100 wheat acres PP
100 corn acres timely planted
100 corn acres LP
100 soybean acres PP (int. double-crop)

00102 150 corn timely planted
50 corn acres LP
100 soybean acres timely planted

TOTAL 700 acres for both units

Insured has coverage greater than CAT coverage. It is determined that there was an insured cause that prevented planting of wheat and soybeans. Since the insured met the policy requirements of a history of double-cropping soybeans after wheat, both the PP wheat and PP soybeans are eligible.

Eligible for PP payment by crop: wheat = 100 acres
soybeans = 100 acres

Individual crop acres do not exceed maximum eligible PP acres by crop, and the 200 acres does not exceed the remaining eligible acres for ALL crops. All planted and PP acres do not exceed cropland when the eligible double-cropped acreage is considered in determining the insured's maximum eligible PP acreage.

NOTE: The term "cropland" as used in this example includes **ONLY** cropland that is available for planting. Refer to subsection 4 F (b) for more information regarding cropland acreage that is available for planting.

E. PREVENTED FROM PLANTING - NOT ENOUGH ELIGIBLE ACREAGE FOR THE CROP

EXAMPLE: An insured plants 75 acres of Unit 00101 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 acres MAXIMUM eligible acres for corn. Since the insured has planted 75 acres of corn and there is no more eligible corn acres, the PP payment must be based on another crop(s) that will result in the most similar (closest) PP payment as corn. The corn Unit 00101 per acre PP amount is \$146.25. The insured also has soybeans and grain sorghum on the policy and has another policy for fall wheat for the same crop year. The per-acre PP guarantee dollar amounts (without regard to share) are:

<u>Soybeans</u>	<u>Grain Sorghum</u>	<u>Wheat-Fall Policy</u>
00101 - \$112.50	00100 - \$44.10	00101- \$35.88
00102 - \$101.25	00201 - \$53.75	00102 - \$32.48
00103 - \$123.75	00202 - \$58.50	00200 - \$40.50

The maximum eligible PP acres for each crop is as follows:

Corn = 75.0 acres Grain Sorghum = 42.0 acres
 Soybeans = 47.0 acres Wheat = 105.4 acres

Eligible acres for each crop after deduction for planted and prevented planting acres for the specific crop:

Corn = 75 eligible PP acres minus 75 planted acres = 0 acres

Soybeans = 47.0 eligible acres minus 32.0 planted acres = 15 acres

Grain Sorghum = 42.0 eligible acres minus 30.0 planted acres minus 7 PP acres of actual PP acres of grain sorghum = 5 acres

Fall Wheat = 105.4 eligible acres minus 100.4 planted acres = 5 acres.

Unit 00103 soybeans per-acre PP amount of \$123.75 is the closest amount to the corn PP amount of \$146.25. Since there is not enough eligible soybean acres, the next similar (closest) payment must be found on another crop, which is Unit 00202 grain sorghum at \$58.50. Since there is not enough eligible grain sorghum acreage, the next most similar (closest) payment on another crop with eligible acreage must be used. The next most similar (closest) payment is on unit 00200 wheat at \$40.50. The insured would be paid a PP payment on the following crops, units as follows:

Soybeans unit 00103 - 15 acres X \$123.75 X (same share as unit 00101 corn)

Grain Sorghum unit 00202 - 5 acres X \$58.50 X (same share as unit 00101 corn). The actual 7 PP acres for grain sorghum for this unit will be the share reported for this grain sorghum unit.

Wheat unit 00200 - 5 acres X \$40.50 X (same share as qualifying corn unit)

When making comparisons to determine the crop/unit for which the PP payment would be the most similar (**closest**) to the crop prevented from planting (qualifying unit) and when making PP payments in this type of situation (for the PP acreage for the qualifying unit), the share used will be the share from the crop unit on which the acreage was prevented from planting (qualifying unit).

Acreage reports will also be revised to show PP acreage that will be used to pay the PP acreage for the qualifying unit. The share will be the same as the qualifying unit (in this example unit 00101 corn).

When preparing 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.

NOTE 1: The most similar (**closest**) PP payment could be either a higher amount or a lower amount than the qualifying crop's per acre PP amount would have been. For crops insured under a CRC, RA, **or other revenue- type plans of insurance under which PP is available**, when determining the per acre PP payment amount most similar (**closest**) to the qualifying crop's PP acre amount, **calculate the per acre PP payment amount as stated in the applicable policy provisions. When determining if peanuts is the most similar (closest) per-acre PP payment to the per-acre PP payment amount for the crop prevented from planting, use the non-quota price election.**

NOTE 2: In counties having both a fall and spring wheat final planting dates, eligible acres are based on the total of all wheat types; however, payment is based on the spring type only.

12. PEANUT PP PAYMENT CALCULATION EXAMPLES

When quota and non-quota peanuts are involved on the same contract, the following examples show how a PP payment will be made on peanuts.

Common set of facts for each example: The insured has a 2,200 pound per-acre guarantee for timely planted (TP) acres, a 100 percent share, and a price election percentage of 100 percent. The insured's PP guarantee = 1,100 pounds per acre (2,200 pound timely-planted (TP) guarantee X .50). The quota price is 30 cents; the non-quota price is 15 cents. The effective poundage marketing quota for each example is 50,000 pounds.

A. EXAMPLES

EXAMPLE 1

The insured was prevented from planting **ALL** of the eligible PP peanut acres for the unit (25 acres). The PP payment is calculated as follows:

1,100 lbs./acre PP guarantee X 25.0 acres = 27,500 lbs. (Total Guarantee - ALL quota).

Since the quota for the unit is 50,000 pounds, the quota has not been completely filled. Therefore, the 27,500 pounds determined to be used for the PP payment will be paid at the quota price election as follows:

27,500 pounds of quota peanuts X .30 (quota price election) X 1.000 share = \$8250.00 PP payment for 25.0 PP acres

NOTE: The above example is for **ALL** 25.0 acres prevented from being planted. If the same relationship is maintained for the quota peanut versus non-quota peanut acres that are reported on a pro-rata basis, then the calculation in the above example would be applicable for any PP acre situation. For example: 20.0 TP acres versus 5.0 PP acres, as shown in Example 2 below.

EXAMPLE 2

In this example, there is a total of 25.0 insurable acres in the unit. Part of the unit acres (**20.0 acres**) were timely planted and part (**5.0 acres**) were prevented from planting. The PP payment is calculated as follows:

20.0 TP acres X 2,200 lbs. TP guarantee/A. = 44,000 lbs. **total guarantee of quota peanuts***

5.0 PP acres X 1,100 lbs. PP guarantee/A. = 5,500 lbs. **total guarantee of quota peanuts***

***NOTE:** 44,000 lbs. of quota for TP acres + 5,500 lbs. of quota for PP acres = 49,500 lbs. **total guarantee of quota used.** Since the **total guarantee is less than the** quota for the farm, the **5.0 PP acres are paid**, as follows:

5,500 pounds of quota X .30 (quota price election) X 1.000 share = \$1,650 PP payment for 5.0 PP acres

EXAMPLE 3

In this example, there is a total of 40.0 insurable acres in the unit. The insured timely planted (TP) 30.0 acres and was prevented from planting 10.0 acres of peanuts.

30.0 TP acres X 2,200 lbs. TP guarantee/A = 66,000 lbs. **Quota**

10.0 PP acres X 1,100 PP guarantee = 11,000 lbs. Non-Quota for PP acres

NOTE: Prorating quota for PP acreage is a necessity when TP and PP total guarantee exceeds the total amount of quota for the farm.

The PP payment is calculated as follows:

66,000 lbs. TP guarantee + 11,000 lbs. PP guarantee = 77,000 lbs. total guarantee.

Prorate the quota as a %, rounded to 8 decimals as follows:

$66,000/77,000 = .85714286 \times 50,000$ quota for the farm = 42,857 lbs. of quota.

$11,000/77,000 = .14285714 \times 50,000$ quota for the farm = 7,143 lbs. of quota.

30.0 TP acres = 42,857 lbs. of quota and 23,143 non-quota (66,000 lbs. - 42,857 lbs.).

10.0 PP acres = 7,143 lbs. of quota and 3,857 non-quota (11,000 lbs. - 7,143 lbs.).

10.0 PP acres PP payment = 7,143 lbs. X .30 (quota price election) = \$2,143.00
3,857 lbs. X .15 (non-quota price election) = \$579.00

\$2,143.00 + \$579.00 = \$2,722.00 Total PP payment.

EXAMPLE 4

In this example, there are a total of 40.0 insurable acres in the unit. The insured timely planted (TP) 30.0 acres, 5.0 acres late-planted (LP) 10 days, and 5.0 acres prevented from planted.

30.0 TP acres X 2,200 lbs. TP guarantee/A = 66,000 lbs. Quota

5.0 LP acres X 1,980 lbs. (.90 X 2,200) LP guarantee/A = 9,900 lbs. Non-Quota for LP acres

5.0 PP acres X 1,100 lbs. PP guarantee/A = 5,500 lbs. Non-Quota for PP acres

NOTE: Prorating quota for PP acreage is a necessity when TP, LP, and PP total guarantee exceeds the total amount of quota for the farm.

The PP payment is calculated as follows:

66,000 lbs. TP guarantee + 9,900 lbs. LP guarantee + 5,500 lbs. PP = 81,400 lbs. Total guarantee.

Prorate the quota as a %, rounded to 8 decimals as follows:

$66,000/81,400 = .81081081 \times 50,000$ lbs. of quota for the farm = 40,541 lbs. of quota.

$9,900/81,400 = .12162162 \times 50,000$ lbs. of quota for the farm = 6,081 lbs. of quota.

$5,500/81,400 = .06756757 \times 50,000$ lbs. of quota for the farm = 3,378 lbs. of quota.

30.0 TP acres = 40,541 lbs. of quota and 25,459 lbs of non-quota (66,000 lbs. - 40,541).

5.0 LP acres = 6,081 lbs. of quota and 3,819 lbs. of non-quota (9,900 lbs. - 6,081 lbs.).

5.0 PP acres = 3,378 lbs. of quota and 2,122 lbs. of non-quota (5,500 lbs. - 3,378 lbs.).

5.0 PP acres for PP payment = 3,378 lbs. X .30 (quota price election) = \$1,013.00
2,122 lbs. X .15 (non-quota price election) = \$318.00

\$1,013.00 + \$318.00 = \$1,331.00 Total PP payment.

B. EFFECT OF PP PAYMENT ON EFFECTIVE POUNDAGE MARKETING QUOTA

If the insured receives a PP payment on quota peanuts, the effective poundage marketing quota, as defined in the Peanut Crop Provisions **in effect for the current crop year**, will not be reduced (FSN Quota remains at 50,000 lbs). However, for purposes of determining any subsequent indemnity, the insured **TIMELY-PLANTED** acreage has a total guarantee of 44,000 pounds, which is all quota. As noted in example 2, a PP payment is determined based on 5,500 pounds of **total guarantee, which is all** quota peanuts, **and a** PP payment will reduce the **total guarantee** available for the farm by 5,500 pounds.

