

PROCEDURE COMPARISON AND REFERENCE GUIDE

ISSUE	PILOT 2004 PRIOR PECAN REVENUE	2005 PECAN REVENUE	REFERENCES
Revenue Reports by Unit	No – Gross Sales By Unit (One unit per county)	Yes – Basic/Enterprise	See section 2 of the Pecan Revenue Crop Provisions
Separate Report by P/T/V, Map Area	No	Yes, if applicable	See Actuarial Documents
Transitional Yields	No	No	N/A
Assigned Yield	Yes – Lowest available dollar span shown on the actuarial documents	Yes – Not more than 75% of individual dollar amount current coverage module	See section 3 of the Pecan Revenue Crop Provisions
Descriptors	Yes	Yes	See R&D-04-046 A(8) & (9), or Appendix III
Added Land	> 12.5% & no history: 65% of previous year's average gross sales	> 12.5% & no history: Lowest available dollar span shown on actuarial documents	See R&D-04-046 A(10)
Cups, Yield Floors	No	No	N/A
Exclude High-Risk Land	No (No High-Risk Land)	Yes, if applicable	See Actuarial Documents
Producers Pre-Acceptance Worksheet	Yes	Yes	See R&D-04-046 A(5)(a)
Pre-Acceptance Field Inspection	Yes	Yes	See R&D-04-046 A5(b); Pecan Revenue Crop Provisions
Disclaimer for tree thinning and two year coverage module	Yes	No	See Pecan Revenue Pilot Crop Provisions only, Disclaimer
Amount of Insurance Reduction for Sequential Thinning & Tree Removal	Yes 70% factor 1 st year 85% factor 2 nd year	Yes 80% factor 1 st year; or factor in the SPOI	See R&D-04-046 A(5)(b)3 c or section 3 Pecan Revenue Crop Provisions
Revenue Reporting Date	Same as Acreage Reporting Date	Acreage reporting date	See R&D-04-046 A(6) and Pecan Revenue Crop Provisions sec. 3(f)
Reporting Revenue	Two-year cycle with minimum of 4-years; otherwise lowest available dollar span shown on the actuarial documents	Two-year cycle, with use of 2 or 4 years of lowest available dollar span shown on the actuarial documents to complete 4-year base	See R&D-04-046 A(8) and applicable Pecan Revenue Crop Provisions
Guarantee Reduction Flags - Thinning	Yes - F or S and applicable factor	Yes - F and factor	See R&D-04-046 A(4)(b)3 c ii; Appendix III, Crop Provisions
Maximum Yield Edits	Yes	Yes	See App. III, CIH, R&D-04-045 and 04-046 A(6)(g)

A Pecan Revenue**A(1) Crop Provisions.**

The Pecan Revenue Crop Provisions (05-020 Rev. 10/04) are effective for the 2005 crop year for those carryover insureds or new applicants whose first year of a two-year coverage module is 2005. A carryover insured whose first year of the two-year coverage module was 2004, will continue to be insured under the pilot policy {Pecan Revenue Pilot Crop Provisions (99-020)} and the 2004 actuarial documents until 2006 if the policy remains in force; see also A(6) revenue reports.

A(2) General Instructions. To be eligible for coverage, minimum requirements for insurability stated in the pecan crop provisions must be met (i.e., 12th growing season after being set out or replaced by transplants, or that are in at least the 5th growing season after top work and have produced at least 600 pounds of pecans in-shell per acre during a prior year). Insurability requirements will be verified through the use of a certification process requiring Producer Pre-Acceptance Worksheet, Summary of Revenue History (SRH), and pre-acceptance field inspections performed by the Insurance Provider or by RMA RO.

(2)(a) Approved Average Revenue. Insurance Providers (agents/representatives) are required to calculate and approve average revenue per acre on pecans.

(2)(b) Acreage Determination. See Crop Insurance Handbook Section 7 D(3).

(2)(c) Base Periods. The base period for pecans is determined by consecutive CROP YEARS, not calendar years and consists of:

The consecutive crop years immediately preceding the current two-year module, with a minimum of four building to ten crop years in two-year increments.

A(3) Termination and Premium Payments.

(3)(a) The Insurance Provider will terminate for non-payment of premium for the first year or if applicable the second year of the module.

(3)(b) Insureds do not have to pay a premium in the second year of the module, based upon a timely acreage report for removed acreage, or relinquished acreage on which they no longer have a share in the crop.

A(4) Transfers. Policies may not be transferred to another Insurance Provider until the end of the two-year module.

A(5) Inspections.

(5)(a) Producer's Pre-Acceptance Worksheet.

1 See [CIH Section 7E] for completion requirements and example of worksheet.

- 2 Prior to the insured/applicant answering question 22, any change in acreage and cultural practice should be reviewed. Tree thinning is considered a cultural practice that will reduce the insured crop's previous gross sales below the approved average revenue. If the applicant answers "Yes" to this question, a field inspection and hard copy records of average revenue are required.

(5)(b) Pre-Acceptance Field Inspections.

- 1 See [CIH Section 7 G(2)] for instructions and Pre-Acceptance Perennial Crop Inspection Report.

- 2 See [CIH Exhibit 16 1H] for applicable Addendum Worksheet.

Evaluate each block to determine if light penetration into the canopy is sufficient to stimulate nut development. Rate as good, fair or poor based on the Orchard Inspectors review in item 8.

- 3 Insurance Providers must perform pre-acceptance field inspections for the following:

a New insureds.

b When productivity is reduced.

i An inspection is required when KNOWN tree damage has occurred or cultural practices have been performed that will reduce the insured crop from previous gross sales below the approved average revenue, and when insured answers "YES" to question 22 on the Producer's Pre-Acceptance Worksheet.

ii Unless otherwise provided in the Special Provision of Insurance, when more than 12.5% of the total acres for the unit are thinned (not removal of a contiguous block), the average gross sales for those acres thinned will be multiplied by .80, or a factor contained in the Special Provisions, for the first year after sequential thinning. Guarantee reduction flag F and the factor must be reported for the acreage. No reduction will be assessed the following year after sequential thinning.

c At the discretion of the Insurance Provider when added land or acreage is greater than 12.5 percent or acreage is removed.

- A(6) **Revenue Reports.** Production and gross sales must be reported on the Summary of Revenue History (SRH) for each unit for each year of the two-year coverage module on or before the acreage reporting date for the first year of the next two-year coverage module. Insureds not reporting timely will have revenue assigned using the lowest available dollar span shown on the actuarial

documents, (identified by yield indicator B). Lag years are not applicable for pecans. See A(10) for reporting production and price when marketing is incomplete.

(6)(a) Policies in the first year of the module will be under the new Pecan Revenue Crop Provisions (05-020 Rev. 10/04) for the 2005 crop year. Certification for any policies previously under the pilot will be for all years reported, which will all be subject to spot check.

(6)(b) Policies in the second year of the two-year module will remain under the pecan revenue pilot crop provisions (99-020) for the 2005 crop year. The new crop provisions (05-020 Rev. 10/04) and procedure in (6)(a) above, will apply for the 2006 crop year when certifying under the next two-year module.

(6)(c) High-Risk Land.

Separate acceptable SRHs, must be filed for acreage located on high-risk land.

(6)(d) Hedged Acreage.

Hedged acreage is uninsurable unless otherwise provided on the Special Provisions of Insurance or by written agreement. A separate acceptable SRH, must be filed for hedged acreage.

(6)(e) Late or Unreported Gross Sales.

1 If SRH reports are not reported or not timely reported, we will assign a gross sales amount for any year that was not reported. The gross sales amount assigned will be the lowest available dollar span provided by the actuarial table for the current coverage module (CIH assigned yield provisions are not applicable).

2 If production and gross sales are reported after the acreage reporting date for the two-year coverage module, we will adjust your average gross sales per acre using the reported information for the next crop year.

3 The production and gross sales or your assigned gross sales amount will be used to compute your sales history for the next two-year coverage module.

4 If you filed a claim for any year, the value of harvested production and appraised potential production used to determine your indemnity payment will be the gross sales for that year.

(6)(f) Uninsurable acreage.

1 Uninsurable acreage must be reported on a separate SRH.

2 If production and gross sales from uninsurable acreage is commingled or not reported separately, net acreage, total production, and gross sales will be shown on the SRH in determining the Approved Average Revenue Per Acre.

3 Only acreage meeting the terms of the pecan crop provisions may be reported as insurable.

(6)(g) Excessive Yield Edit Verification, the term excessive yields means the approved or annual per acre revenue submitted to Data Acceptance System (DAS) that exceeds the maximum yield edit level (See CIH Sec. 14 Par. B, R&D 04-044 Incorporation of 2005 Basic Provisions Par. 5, 13 and Appendix III).

1 Identified with yield descriptor A if simple average values.

2 Identified with B and using the lowest available dollar span shown on the actuarial documents if no other units.

A(7) **Written Agreements**. To qualify for a written agreement:

(7)(a) For counties with actuarial documents, at least two years of production and gross sales records are required.

(7)(b) For counties without actuarial documents, four years of production and gross sales records are required.

A(8) **Completing databases**:

(8)(a) Reports are completed in two-year increments of four to ten years. If at least four years of production and gross sales records are not provided, the lowest available dollar span amount provided in the actuarial documents will be used (i.e., four years of the lowest dollar span or two years of the lowest dollar span and two years of actual). The lowest dollar spans, used in place of records, may be replaced with actual gross sales when reporting in the next two-year cycle.

(8)(b) Separate databases for certified organic and transitional databases for certified and transitional acreage are required for any insured crop grown using an organic farming practice. Only acreage and production history from each acreage type of the organic farming practice will be contained in the applicable database. Each database will include production and acreage from any applicable buffer zone. Acreage and production records of the insured crop from transitional acreage will be used to establish the certified organic approved average revenue dollar amount when such acreage initially qualifies as certified organic acreage.

Separate databases must be established for new acreage in transition, unless the acreage is from the same block or other blocks of the same age, density and variety. The lowest dollar span provided in the actuarial documents will be used to complete the database, see Exhibit 38 for Organic Procedures.

(8)(c) Identify each value entered in the average gross sales column 5 of the SRH with the applicable yield descriptor, as follows:

A= Actual value or simple average actual values (Example A400).

B= Assigned value using the lowest available dollar span shown on the actuarial documents (Example B299).

- G= Actual Transitional value, used in place of A for acreage in transition to certified organic (Example G400).
- V= Actual Certified Organic value, used in place of A for certified organic (Example V400).

A(9) **When reporting databases**, units must be reported with the yield indicator and factor as follows:

- F= Sequential Thinning and the factor shown in the Pecan Revenue Crop Provisions (.80) or applicable factor contained in the Special Provisions of Insurance.

A(10) **Amount of Insurance**. The amount of insurance per acre will remain the same as stated in the Summary of Coverage on each unit for each year of the two-year coverage module with the following exceptions:

(10)(a) **Sequential Thinning**, as defined in the Pecan Revenue Crop Provisions: A method of systematically removing pecan trees for the purpose of improving sunlight penetration and maintaining the proper spacing necessary for continuous production.

Unless otherwise provided in the Special Provisions of Insurance, if more than 12.5 percent of the insured acres are thinned, the gross sales for those acres thinned will be multiplied by a factor of (.80) or a factor contained in the Special Provisions of Insurance for the first year after sequential thinning.

(10)(b) **New Producers**, When less than 4 years of records are available, the lowest dollar span available may be assigned for missing two-years or four-years on insurable acreage.

(10)(c) **Added Land**, when less than 4 years of records are available, the lowest dollar span available may be assigned for missing years on insurable acreage (i.e., 12th growing season after being set out or replaced by transplants, or that are in at least the 5th growing season after top work and have produced at least 600 pounds of pecans in-shell per acre during a prior year).

1 See section 3(d)(2) of the Pecan Revenue Crop Provisions. If acreage is increased by more than 12.5 percent, the approved average revenue must be recalculated.

a If using the history for the added acreage: The number of years used must not exceed the number of years in the insured's present database. A minimum of two years (the most recent two years) must be shown on the SRH.

b If production and gross sales records are not available for the added acreage:

i The lowest available dollar span amount provided in the actuarial documents will apply to the added land and shown on a separate SRH.

- ii For the next two-year reporting period, the added net acreage and sales records must be shown for the two-years or year with insurance.

See also CIH Section 7K for additional procedure (hardcopy records from the prior producer must be provided).

2 Added acreage.

a Acreage meeting age minimum requirement.

- i When prior separate reported production and gross sales records are available, a minimum of the most recent two prior years must be provided, or the lowest available dollar span amount provided in the actuarial documents will apply to the added acreage.
- ii Any previously reported production and gross sales records, the insured chose to use for added acreage, may not be removed from the database.

b Acreage meeting age and production minimums.

For acreage that is in at least the 5th growing season after top work and has produced at least 600 pounds of pecans in-shell per acre during a prior year:

The prior year must be reported if the production exceeded 600 pounds per acre. If not the prior two years must be reported, or as many years as required to meet the minimum production.

- ii Any prior reported production and gross sales records and net acres for this added acreage may not be removed from the database.

3 See also A(5)(b) above for Pre-Acceptance Inspection requirements.

A(11) **Records**. Settlement sheets, sales receipts, and final or year-end statements from a processor must indicate the weight of pecans harvested in pounds (in-shell basis rounded to the nearest whole pound) by variety excluding foreign material and the in-shell price received per pound (in dollars and cents). If in-shell is not shown, documentation must be obtained or documentation must contain information to determine the in-shell price (e.g. in-shell price may be shown as the fixed price; shelling percentage may be shown). When not all pecans have been marketed, the pounds of pecans in storage must be reported and the average in-shell market price for the week the pecans were harvested will be used to determine the harvested value.

See [CIH Section 10 C(4)] for acceptable pick records, and use of pre-harvest appraisal for direct market sales. If direct market is allowed by the Special Provisions of Insurance or by written agreement, review for any required adjustments in determining market price.

B SUMMARY OF REVENUE HISTORY ENTRIES AND COMPLETION INFORMATION

Verify or make the following entries, if not preprinted on the worksheet:

Insured's Name: Name of insured that identifies EXACTLY the person (legal entity) to whom the policy is issued.

Agency or Servicing Office: Name, address, phone and agent code.

Crop Year: Crop year, as defined in the policy.

Other Entity: Show any other applicable entities sharing in crop.

Insurance Provider: Name, address and phone and Company code.

Contract Number: Insured's assigned policy or contract number.

Unit Number: Five-digit unit number from the Summary of Coverage after it is verified to be correct, (e.g., 00100).

FSA FSN: USDA Farm Service Agency Farm Serial Number.

Legal Description: The Section clearly identified (SE ¼), Township (N/S) and Range (E/W) or other geographical descriptions if not applicable.

Practice: As identified on the applicable actuarial document

Insurable or Uninsurable: Designate if the acreage being reported has met policy minimums for insurability. NOTE: Insurable and Uninsurable must be reported separately as well as any hedged acreage. Indicate both and commingled if not reported separately.

Number of Trees: Enter the total number of trees on the unit that will be applicable for the 2-year module being reported.

County: Enter the applicable county and code.

State: Enter the state and code.

Pre-Acceptance Perennial Crop Inspection Report: Show the date of the last pre-acceptance inspection, (required for all new or transferred policies).

Item No.	Information Required
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- | | |
|-----|--|
| (1) | Year: The applicable crop year for revenue being reported. |
| (2) | Net Acres: Applicable acreage of pecans multiplied by insureds share. |
| (3) | Pounds Production: Total pounds of harvested and/or appraised pecans, INSURED'S SHARE ONLY, (in-shell basis rounded to the nearest whole pound). |
| (4) | Gross Sales: Pounds harvested and/or appraised pecans times the applicable in-shell average price (may be shown as fixed price), reported in dollars and cents, INSURED'S SHARE ONLY. |
| (5) | Average Gross Sales: Enter the yield descriptor (A or B), followed by the Average Gross Sales, the Gross Sales (item 4) divided by the Net Acres (item 2) rounded to whole dollars. |

- (6) **Pre-Harvest:** Check this block if a Pre-Harvest Appraisal was completed (required if direct marketed or a loss was reported).
- (7) **Total Number of Years:** Enter the applicable total number of years.
- (8) **Total Average Gross Sales Per Acre:** Enter the total of the Average Gross Sales in column 5.
- (9) **Approved Average Revenue Per Acre:** Average Gross Sales Per Acre (item 8) divided by the Total Number of Years (item 7) rounded to whole dollars.
- (10) **Insured's Signature & Date:** Insured's (or insured's authorized representative's) signature and date. BEFORE obtaining insured's signature, REVIEW ALL ENTRIES on the Summary of Revenue History WITH THE INSURED.
- (11) **Page Number:** Page numbers- (Example: Page 1 of 1, or Page 1 of 2, Page 2 of 2, etc.).

SUMMARY OF REVENUE HISTORY (SRH Reverse Side)**COLLECTION OF INFORMATION AND DATA (PRIVACY ACT)**

To the extent that the information requested herein relates to your individual capacity as opposed to your business capacity, the following statements are made in accordance with the Privacy Act of 1974, as amended (5 U.S.C. 552a). The authority for requesting information to be furnished on this form is the Federal Crop Insurance Act, (7 U.S.C. 1501 et seq.) and the Federal crop insurance regulations contained in 7 C.F.R. chapter IV. Collection of the social security account number (SSN) or the employer identification number (EIN) is authorized by section 506 of the Federal Crop Insurance Act (7 U.S.C. 1506), and is required as a condition of eligibility for participation in the Federal crop insurance program. The primary use of the SSN or EIN is to correctly identify you, and any other person with an interest in you or your entity of 10 percent or more, as a policyholder within the systems maintained by the Federal Crop Insurance Corporation (FCIC). Furnishing the SSN or EIN is voluntary; however, failure to furnish that number will result in denial of program participation and benefits. The balance of the information requested is necessary for the insurance company and RMA to process this form to: provide insurance; provide reinsurance; determine eligibility; determine the correct parties to the agreement; determine and collect premiums or other monetary amounts (including administrative fees and over payments); and pay benefits. The information furnished on this form will be used by Federal agencies, RMA employees, insurance companies, and contractors who require such information in the performance of their duties. The information may be furnished to: RMA contract agencies, employees and loss adjusters; reinsured companies; other agencies within the United States Department of Agriculture; The Department of Treasury including the Internal Revenue Service; the Department of Justice, or other Federal or State law enforcement agencies; credit reporting agencies and collection agencies; other Federal agencies as requested in computer matching programs; and in response to judicial orders in the course of litigation. The information may also be furnished to congressional representatives and senators making inquiries on your behalf. Furnishing the information required by this form is voluntary; however, failure to report the correct and complete information requested may result in rejection of this form; rejection of any claim for indemnity, replanting payment, or other benefit; ineligibility for insurance; and a unilateral determination of any monetary amounts due.

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**Premium Calculation Example
(PECAN REVENUE)**

For Catastrophic Insurance Coverage: No calculations to show Premium are necessary.

For Additional Coverage: Complete all steps.

FOR EACH UNIT

- (1) **Dollar Amount of Insurance Per Acre**, the producer approved average revenue per acre multiplied by the selected Coverage Level. (1)

- (2) **Guarantee Per Acre**, the Dollar Amount of Insurance adjusted by the Guarantee Reduction Factor (IF APPLICABLE). (2)

- (3) **Total Guarantee**, the Guarantee Per Acre multiplied by the total reported acres. (3)

- (4) **Liability**, the Total Guarantee multiplied by the Insured Share. (4)

- (5) **Total Premium**, the Liability multiplied by Base Premium Rate and any applicable Map Factor and/or Option Factor. (5)

- (6) **Subsidy**, multiply the Total Premium item (5) by the appropriate factor for the selected coverage level on the FCI-35 Subsidies and Fees Table. (6)

PRODUCER PREMIUM

- (7) **Estimated Producer Premium**, subtract the Subsidy, item (6) from the Total Premium, item (5). (7)

Reserved.

C Examples The following examples and procedure are applicable for pecan revenue.

Example 1

- The producer elects the 65% coverage level,
- Certifies information for two blocks, including production and price for the prior four crop years, as an enterprise unit,
- All acreage has a 2/3 share for 2005,
- The producer completed the Pre-Acceptance Worksheet showing:
 - Block 001 Cape Fear, 10.0 acres planted in 1979, current tree count of 274
 - Block 002 Stuart, with 16.6 acres planted in 1980 and 266 current trees.
- In 2001, the producer had 100% share in the two blocks (10.0 + 16.6 = 26.6).
- In 2002, the producer had 100% share in block 002 and 50% share in block 001
 - This results in total net acres of 21.6 (5.0 + 16.6 = 21.6).
 - The actual production (insured's share only) for the two blocks is totaled and then multiplied by the applicable average price to show Gross Sales.
 - The Gross Sales are then divided by the net acres to determine the Average Gross Sales for the year.
- In 2002, the producer had insurance and reported a loss in production and a pre-harvest appraisal was completed.
- In 2003, the insured had 50% share in both blocks but acreage was removed from block 001 leaving 8.6 acres.
 - Thus, the net acres total was 12.6 {(8.6 + 16.6) x .50 = 12.6}.
- In 2004, the producer again had 100% share in both blocks.

(SRH) For Illustration Purpose Only SUMMARY OF REVENUE HISTORY					
CROP YEAR(s): 2005/2006		INSURED'S NAME & ADDRESS: I.M. INSURED R.R. 1 ANY TOWN STATE ZIP PHONE: XXX-XXX-XXXX		AGENCY OR SERVICING OFFICE: Home Insurance Agency ANY TOWN STATE ZIP PHONE: XXX-XXX-XXXX AGENT CODE: XXXX	
CONTRACT NUMBER: XX-XXX-XXXX		OTHER ENTITY: NONE		INSURANCE PROVIDER: Any Insurance Company ANY TOWN STATE ZIP PHONE: XXX-XXX-XXXX COMPANY CODE: XXXX	
UNIT NUMBER: 00100		FSA FSN: XXXX	LEGAL DESCRIPTION: SECTION TOWNSHIP RANGE XX XXN XXW		PRACTICE: 003 (NI)
INSURABLE or UNINSURABLE	NUMBER OF TREES: 540	COUNTY: MACON (193)	STATE: GEORGIA (13)		Pre-Acceptance Perennial Crop Inspection Report DATE: 10/23/2001
YEAR 1	NET ACRES 2	POUNDS PRODUCTION 3	GROSS SALES 4	AVERAGE GROSS SALES 5	PRE-HARVEST APPRAISAL 6
2001	26.6	29,200	\$9,928.00	A \$373	
2002	21.6	12,750	\$11,475.00	A \$531	√
2003	12.6	16,000	\$8,480.00	A \$673	
2004	25.2	14,300	\$10,439.00	A \$414	
		7. TOTAL NUMBER OF YEARS 4	8. TOTAL AVERAGE GROSS SALES PER ACRE \$1,991		9. APPROVED AVERAGE REVENUE PER ACRE \$498
The information I have furnished on this form is complete and accurate. I understand that any false or inaccurate information may result in the sanctions outlined in my policy and administrative, civil, and criminal sanctions under 18 U.S.C. §§1006 and 1014, 7 U.S.C. § 1506, 31 U.S.C. §§ 3729 and 3730 and other federal statutes.					
10. INSURED SIGNATURE <i>I..M.. Insured</i>			DATE <i>MM/DD/YYYY</i> 11. Page <u>1</u> of <u>1</u>		

Premium Calculation Example 1 (PECAN REVENUE)
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(1)	<u>Dollar Amount of Insurance Per Acre</u> , the producer approved average revenue per acre multiplied by the selected Coverage Level. $\$498 \times 0.65$ (1)	<table border="1" style="width: 100%; height: 30px;"> <tr> <td style="text-align: center;">\$324</td> </tr> </table>	\$324
\$324			
(2)	<u>Guarantee Per Acre</u> , the Dollar Amount of Insurance adjusted by the Guarantee Reduction Factor (IF APPLICABLE). (2)	<table border="1" style="width: 100%; height: 30px;"> <tr> <td style="text-align: center;">\$324</td> </tr> </table>	\$324
\$324			
(3)	<u>Total Guarantee</u> , the Guarantee Per Acre multiplied by the total reported acres. $\$324 \times 25.2$ (3)	<table border="1" style="width: 100%; height: 30px;"> <tr> <td style="text-align: center;">\$8,165</td> </tr> </table>	\$8,165
\$8,165			
(4)	<u>Liability</u> , the Total Guarantee multiplied by the Insured Share. $\$8,165 \times 0.667$ (4)	<table border="1" style="width: 100%; height: 30px;"> <tr> <td style="text-align: center;">\$5,446</td> </tr> </table>	\$5,446
\$5,446			
(5)	<u>Total Premium</u> , the Liability multiplied by Base Premium Rate and any applicable Map Factor and/or Option Factor. $\$5,446 \times 0.187 \times 0.90$ (5)	<table border="1" style="width: 100%; height: 30px;"> <tr> <td style="text-align: center;">\$917</td> </tr> </table>	\$917
\$917			
(6)	<u>Subsidy</u> , multiply the Total Premium item (5) by the appropriate factor for the selected coverage level on the FCI-35 Subsidies and Fees Table. $\$917 \times 0.59$ (6)	<table border="1" style="width: 100%; height: 30px;"> <tr> <td style="text-align: center;">\$541</td> </tr> </table>	\$541
\$541			

PRODUCER PREMIUM

(7)	<u>Estimated Producer Premium</u> , subtract the Subsidy, item (6) from the Total Premium, item (5). $\$917 - \541 (7)	<table border="1" style="width: 100%; height: 30px;"> <tr> <td style="text-align: center;">\$376</td> </tr> </table>	\$376
\$376			

THIS WORKSHEET IS INTENDED TO ASSIST IN ESTIMATING PRODUCER PREMIUM ONLY.

Example 2

C(2) Same as Example 1 except:

- More than 12.5% of the acreage will be thinned for the current crop year (2005) since the producer plans to remove every other tree on the 8.6 acres in block 001.

**Premium Calculation Example 2
(PECAN REVENUE)**

The Producer's Pre-Acceptance Worksheet should be updated to show the new tree count (137) on block 001 and the SRH updated to show the new total (403 trees).

Block 001

(1)	<p><u>Dollar Amount of Insurance Per Acre</u>, the producer approved average revenue per acre multiplied by the selected Coverage Level.</p> <p style="text-align: right;">$\\$498 \times 0.65$ (1)</p>	\$324
(2)	<p><u>Guarantee Per Acre</u>, the Dollar Amount of Insurance adjusted by the Guarantee Reduction Factor (IF APPLICABLE).</p> <p style="text-align: right;">$\\$324 \times 0.80$ (2)</p>	\$259
(3)	<p><u>Total Guarantee</u>, the Guarantee Per Acre multiplied by the total reported acres.</p> <p style="text-align: right;">$\\$259 \times 8.6$ (3)</p>	\$2,227
(4)	<p><u>Liability</u>, the Total Guarantee multiplied by the Insured Share.</p> <p style="text-align: right;">$\\$2,227 \times 0.667$ (4)</p>	\$1,485
(5)	<p><u>Total Premium</u>, the Liability multiplied by Base Premium Rate and any applicable Map Factor and/or Option Factor.</p> <p style="text-align: right;">$\\$1,485 \times 0.187 \times 0.90$ (5)</p>	\$250
(6)	<p><u>Subsidy</u>, multiply the Total Premium item (5) by the appropriate factor for the selected coverage level on the FCI-35 Subsidies and Fees Table.</p> <p style="text-align: right;">$\\$250 \times 0.59$ (6)</p>	\$148

PRODUCER PREMIUM

(7)	<p><u>Estimated Producer Premium</u>, subtract the Subsidy, item (6) from the Total Premium, item (5).</p> <p style="text-align: right;">$\\$250 - \\148 (7)</p>	\$102
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(Block 002 next page)

Example 2 CONTINUED

Block 002

(1)	<u>Dollar Amount of Insurance Per Acre</u> , the producer approved average revenue per acre multiplied by the selected Coverage Level. $\$498 \times 0.65$ (1)	<table border="1" style="margin: auto;"><tr><td style="text-align: center;">\$324</td></tr></table>	\$324
\$324			
(2)	<u>Guarantee Per Acre</u> , the Dollar Amount of Insurance adjusted by the Guarantee Reduction Factor (IF APPLICABLE). (2)	<table border="1" style="margin: auto;"><tr><td style="text-align: center;">\$324</td></tr></table>	\$324
\$324			
(3)	<u>Total Guarantee</u> , the Guarantee Per Acre multiplied by the total reported acres. $\$324 \times 16.6$ (3)	<table border="1" style="margin: auto;"><tr><td style="text-align: center;">\$5,378</td></tr></table>	\$5,378
\$5,378			
(4)	<u>Liability</u> , the Total Guarantee multiplied by the Insured Share. $\$5,378 \times 0.667$ (4)	<table border="1" style="margin: auto;"><tr><td style="text-align: center;">\$3,587</td></tr></table>	\$3,587
\$3,587			
(5)	<u>Total Premium</u> , the Liability multiplied by Base Premium Rate and any applicable Map Factor, Option Factor. $\$3,587 \times 0.187 \times 0.90$ (5)	<table border="1" style="margin: auto;"><tr><td style="text-align: center;">\$604</td></tr></table>	\$604
\$604			
(6)	<u>Subsidy</u> , multiply the Total Premium item (5) by the appropriate factor for the selected coverage level on the FCI-35 Subsidies and Fees Table. $\$604 \times 0.59$ (6)	<table border="1" style="margin: auto;"><tr><td style="text-align: center;">\$356</td></tr></table>	\$356
\$356			

PRODUCER PREMIUM

(7)	<u>Estimated Producer Premium</u> , subtract the Subsidy, item (6) from the Total Premium, item (5). $\$604 - \356 (7)	<table border="1" style="margin: auto;"><tr><td style="text-align: center;">\$248</td></tr></table>	\$248
\$248			

PRODUCER PREMIUM

(6)	<u>Estimated Producer Premium</u> , Multiply Answer (5) by the appropriate actor for the selected coverage level on the FCI-35 Subsidies and Fees Table. $\$604 \times 0.59$ (6)	<table border="1" style="margin: auto;"><tr><td style="text-align: center;">\$356</td></tr></table>	\$356
\$356			

Total estimated producer premium $\$102 + \$248 =$
\$350

THE WORKSHEETS ARE INTENDED TO ASSIST IN ESTIMATING PRODUCER PREMIUM ONLY.

For 2006, if there were no changes the example 1 figures would apply.

Example 3

C(3) Same as Example 1 except:

- More than 12.5% acreage is being added and records were not being used or provided,
- The new 5.1 acres has 75 trees, is over 12 years old,
- The producer has 2/3 share,
- Top work has never been performed,
- Thinning has not been done in the prior year except that hurricanes destroyed seven trees in 2004. No additional thinning is planned.

**Premium Calculation Example 3
(PECAN REVENUE)**

(1)	<p><u>Dollar Amount of Insurance Per Acre</u>, the producer approved average revenue per acre multiplied by the selected Coverage Level.</p> $\begin{array}{r} \$498 \times 25.2 = \$12,550 \\ \$299 \times \frac{5.1}{30.3} = \$1,525 \\ \hline \$14,075 \div 30.3 = \$465 \end{array}$	(1)	\$302
(2)	<p><u>Guarantee Per Acre</u>, the Dollar Amount of Insurance adjusted by the Guarantee Reduction Factor (IF APPLICABLE).</p>	(2)	\$302
(3)	<p><u>Total Guarantee</u>, the Guarantee Per Acre multiplied by the total reported acres.</p>	(3)	\$9,151
(4)	<p><u>Liability</u>, the Total Guarantee multiplied by the Insured Share.</p>	(4)	\$6,104
(5)	<p><u>Total Premium</u>, the Liability multiplied by Base Premium Rate and any applicable Map Factor and/or Option Factor.</p>	(5)	\$1,027
(6)	<p><u>Subsidy</u>, multiply the Total Premium item (5) by the appropriate factor for the selected coverage level on the FCI-35 Subsidies and Fees Table.</p>	(6)	\$606

PRODUCER PREMIUM

(7)	<p><u>Estimated Producer Premium</u>, subtract the Subsidy, item (6) from the Total Premium, item (5).</p>	(7)	\$421
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THIS WORKSHEET IS INTENDED TO ASSIST IN ESTIMATING PRODUCER PREMIUM ONLY.

NOTE: This is not considered sequential thinning but rather due to damage and possible loss of productivity. Due to the KNOWN tree damage, percent loss of trees and possible other damage the Insurance Provider is required to do a Pre-Acceptance Field Inspection to determine if an adjustment is needed. An RMA RO review may be required if it is determined that additional damage to the remaining trees may result in the acreage not being capable of producing the approved revenue per acre.