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FCIC-25370-1 (08-2015)
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PREVENTED PLANTING STANDARDS HANDBOOK

2017 and Succeeding Crop Years

RISK MANAGEMENT AGENCY
KANSAS CITY, MO 64133

TITLE: PREVENTED PLANTING STANDARDS HANDBOOK	**NUMBER: FCIC-25370 FCIC-25370-1 FCIC-25370-2 FCIC-25370-3**
EFFECTIVE DATE: 2017 Succeeding Crop Years	**ISSUE DATE: September 06, 2016**
SUBJECT: Provides the procedures and instructions for administering the Prevented Planting Provisions	**OPI: Product Administration and Standards Division** **APPROVED:** ***/s/ Thomas W. Worth*** **Acting Deputy Administrator for Product Management**

REASONS FOR AMENDMENT

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

1. Paragraph 24 C (3), page 12: Corrected grammatical error.

2. Paragraph 26 B (2), page 16: Corrected CIH reference.

3. Paragraph 26 C (9) (c), page 21: Removed incorrect reference.

4. Paragraph 43 C (3)(c), page 37: Clarified double cropping when there is additional acreage.

5. Paragraph 56 C, page 49: Removed text in parenthesis.

6. Paragraph 84 B, Example 4, page 82: Revised reference in example.

CONTROL CHART

Prevented Planting Standards Handbook							
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Insert	1-2						
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PREVENTED PLANTING STANDARDS HANDBOOK

FILING INSTRUCTIONS

The handbook pages listed in the Control Chart above under the “Insert” heading replace such pages in the FCIC-25370-2H, Prevented Planting Loss Adjustment Standards Handbook, dated December 2015. This handbook is effective upon approval and until obsoleted.

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PART 5 ACREAGE REPORTING

PART 6 FIELD INSPECTIONS

PART 7 CLAIMS

PART 8 VERIFYING ELIGIBLE PP ACREAGE

EXHIBITS

B. Irrigated Acreage (Continued)

(2) The following contains additional information that must be considered when determining whether the failure of the irrigation water supply was due to an insured peril that prevented the insured from planting the crop.

(a) Acreage historically grown under an irrigated practice for which the insured had no reasonable expectation of adequate irrigation water on the FPD (or within the LPP, if applicable) may be eligible for an irrigated PP payment, even if the acreage could have been planted with a non-irrigated practice and the producer elected not to plant. Acreage historically grown under an irrigated practice is as stated in paragraph 27(10).

(b) Any reduction in the water supply due to participation in an electricity buy-back program or the sale of water under a water buy-back program (either before or after insurance attaches) is not considered an insurable cause of loss under the policy. However, if an insured cause of loss reduces the amount of irrigation water available, then subsequent participation in an electricity buy-back program (relative to the amount of water reduced by an insured cause of loss) will not reduce the insured loss.

(c) In those cases where an insured cause of loss reduced the irrigation water supply for a portion of the insured's acreage and the insured elects to participate in the electricity buy-back programs or water right buy-back programs, the AIP must separately determine the amount of acreage for which an insured cause reduced the irrigation water supply and the amount of acreage for which participation in the electricity buy-back programs or water right buy-back programs caused the reduced irrigation water supply. The insured may still be eligible for a PP payment or indemnity, as applicable, on the acreage where an insured cause of loss reduced the irrigation water supply, provided that all other requirements in the policy have been met.

(d) Decreased water allocation resulting from the diversion of water for environmental or other reasons is not an insurable cause of loss unless the diversion is made necessary due to an insured cause of loss.

(e) Increased costs for water, electricity, fuel, etc., from sources historically used by the insured are not considered insurable causes of loss under the policy. Any acreage for which the irrigation water supply has been reduced by the insured because of such increased costs is not insurable under an irrigated practice and no PP payment may be made. Conversely, the availability of high-cost water, electricity, or fuel from a non-historical source will not be considered a reason to deny an otherwise payable claim.

B. Irrigated Acreage (Continued)

(f) Insureds are not expected to take extraordinary measures or amounts of money to modify their irrigation facilities when the water level of the surface water irrigation source (e.g., river) has decreased, due to an insured cause of loss, to the point the insured cannot deliver adequate irrigation water to the crop. For example, in order to deliver adequate water, the insured would have to place long runs of irrigation pipe not normally run, purchase additional or larger motors, lift stations, irrigation pipes, and/or other equipment not normally used in their normal irrigation operations.

C. Other Insured Causes of Loss Covered by PP

PP payments may be made due to:

(1) The inability to plant due to large amounts of salt, silt, sand, and/or other debris left on the land or in the irrigation water supply due to an insured cause of loss (e.g., hurricane), provided the:

(a) The condition is general in the surrounding area and prevented other producers from planting acreage with similar characteristics, and

(b) The insured cause of loss occurred within the PP insurance period.

Refer to examples in paragraph 81A(2)(b) and (3). The AIP may need to ask the insured for additional documentation from agricultural experts to support that the acreage cannot be planted due to salt on the land or in the irrigation water.

(2) Any other insured cause of loss not listed above but that is listed in the CP for the insured crop, provided the cause occurred during the PP insurance period and the cause prevented the insured from planting the insured crop. However, for causes of loss other than drought, failure of the irrigation water supply, failure, or breakdown of the irrigation equipment or facilities or inability to prepare the land using established irrigation methods, if it is possible for the insured to have planted on or prior to the FPD when other producers in the area were planting and the insured failed to plant, no PP payment will be made.

(3) The inability to access roads to a field that meets the requirements for "available for planting", provided all other PP requirements are made. The inability must be due to an insured cause of loss. For example, the roads have been washed out or the road(s) are flooded to the extent road(s) could not safely be accessed before the FPD or LPP, if applicable. However, if there is ANY way into the field, even if it means the producer has to drive out of the way to reach the acreage, then the producer would be expected to do so if the field was dry enough to plant. PP payments would not be made if there were any accessible roads to the acreage. Producers, however, are not expected to go to extreme measures like airlifting equipment into a field. These types of cases are expected to be very limited.

A. PP Eligible Acreage (Continued)

(b) Perennial crop acreage (i.e., trees or vines visibly on the acreage or not removed from the acreage in a proper or timely manner to allow for planting a crop for the CY);

(c) Acreage where pasture or forage is in place; Refer to section 17(f)(6) of the BP for what constitutes established pasture, rangeland or forage that is in place and paragraphs 29 and 31(2)(a) of this handbook.

(d) Acreage that has any other condition, as determined by the AIP, which would prevent the proper and timely planting of the crop.

(4) Not be Uninsurable.

The adjuster (and/or other contractor or AIP employee designated by the AIP) must verify that the acreage claimed as PP is **NOT** uninsurable acreage. Uninsurable acreage includes, but is not limited to, acreage:

(a) That has not been planted and harvested or insured (grazing is not considered harvested for the purpose of insurable acres) in any one of the three previous CYs UNLESS:

(i) The insured can show such acreage was:

(A) Not planted in at least two of the previous three CYs to comply with any other USDA program;

(B) Not planted because of crop rotation (the acreage would not have been planted in the previous three years; e.g., corn, soybeans, alfalfa; and the alfalfa remained for four years before the acreage was planted to corn again); or

(C) A perennial tree, vine, or bush crop was on the acreage on at least two of the previous three CYs. Clarification**:** forage crops, grass crops, and sod are not considered perennial crops for this purpose.

(ii) Such acreage constitutes five percent or less of the insured planted acreage in the unit; or

(iii) The CP, SP, or a WA specifically allow insurance for such acreage (unless an approved WA that is in effect excludes preventing planting coverage).

A. PP Eligible Acreage (Continued)

(b) On which the only crop that has been planted and harvested in the three previous CYs is a cover, hay, (except wheat harvested for hay) or forage crop (except insurable silage**)** unless a forage crop is part of the insured's established crop rotation, as described in subparagraph (4)(a)(i)(B) above.

(c) That has been strip-mined, unless:

(i) An agricultural commodity other than a cover, hay (except wheat harvested for hay), or forage crop (except insurable silage), has been harvested from the acreage for at least five CYs after the strip-mined land was reclaimed; or

(ii) A WA specifically allows insurance for such acreage.

(d) For which the actuarial documents do not provide the information necessary to determine the premium rate, unless insurance is allowed by a WA;

(e) That is otherwise restricted by the CP or SP.

B. Maximum total eligible acreage for all insured crops eligible for PP payments

(1) The TOTAL number of acres eligible for PP coverage for ALL crops CANNOT exceed the number of cropland acres in the insured's farming operation for the CY, unless the insured has provided proof that acreage was double cropped and at least one crop qualified for PP coverage. Refer to paragraphs 27 and 43.

(2) Maximum PP eligible acreage is inclusive of any applicable transfer of APH history and use of another producer's history. Refer to the CIH for procedures applicable to transfers of APH history and use of another producer's history.

C. Maximum eligible acreage for each insured crop (continued)

(i) The crop that was prevented from being planted if the insured crop with remaining eligible acreage would have resulted in a higher PP payment than would have been paid for the crop that was prevented from being planted; or

(ii) The crop from which eligible acres are being used if the insured crop with remaining eligible acreage will result in a lower PP payment than would have been paid for the crop that was prevented from being paid.

(c) Payment may be made using eligible PP acres from crops other than those that were prevented from being planted even though other policy provisions, including but not limited to, processor contract and rotation requirements have not been met for the crop on which payment is being based.

***

(d) The 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 and for which the PP payment is based may be associated with legal section 9. Refer to example in paragraph 84.

(10) Increases of the maximum eligible PP acres for a crop due to the insured increasing his/her cropland acres for the current CY[2] is determined separately by crop and irrigation practice by determining a ratio and multiplying this ratio by the highest number of acres reported or insured in one of the last 4 CYs as stated in paragraph 26C above.

Example: For the 2014 CY, the insured had 200 acres of irrigated acreage in county ABC and purchased an additional 100 acres of irrigated cropland in county ABC prior to the time planting preparation would have begun for the 2015 CY. No cause of loss was evident at the time the additional irrigated acreage was purchased. Determine the ratio by dividing the total irrigated acreage the insured has in his/her operation for 2015 in county ABC by the amount of irrigated acreage the insured had in his/her operation in county ABC for the 2014 CY (300/200 = 1.50). To increase the insured's maximum irrigated PP corn acreage for the 2015 CY in county ABC, determine the highest number of acres certified for APH purposes or insured acres reported for corn in county ABC in one of the 4 most recent CYs. Assume the highest number of irrigated corn acres in the past 4 years was 200 acres. Multiply 200 acres times the 1.50 ratio = 300 acres (maximum eligible irrigated corn PP acres for county ABC in 2015 CY).

C. Maximum eligible acreage for each insured crop (continued)

However, as stated in FAD-040, regardless of the number of eligible acres determined in accordance with the above ratio, coverage under an irrigated practice is limited to acres that the insured has adequate irrigation facilities in place to carry out an irrigated practice prior to the insured cause of loss preventing planting.

(11) The AUP and ELS Cotton CP (includes Cottonseed Pilot Endorsement), (or other crop's SP, or an approved WA) limit insurable acreage to "only the land occupied by the rows of cotton (other crop, if applicable) when a skip-row planting pattern is utilized." In addition, the BP specify the eligible PP acres are the maximum number of acres certified for APH purposes or insured acres reported, which in the case of skip-row cotton (or other crops having a skip-row planting pattern practice on the actuarial or by WA) is the gross acres (acreage occupied by the skip-rows and rows of crop) adjusted downward based on the particular skip-row planting pattern (which, in the example below would be 200.0 acres).

Example: 300.0 gross acres planted in a skip-row planting pattern in one of the last four CYs. Percent planted for skip-row planting pattern is 66.67 percent (converted to decimal is .6667). The 300.0 gross acres x .6667 = 200.0 acres used for eligible PP acres.

These are the acres that are used to determine the maximum eligible PP acres when looking at the previous four years of history on the APH form.

(12) Specialty Type(s): Barley, Corn, Canola, and Soybeans

(a) For specialty type barley, corn, canola, and soybeans insured under Yield Protection, PP payments can be made based on the contract price, when the policyholder provides an acceptable contract by the acreage reporting date.

(b) For specialty type soybeans, corn, and canola only: (1) The insured may elect to use the price contained in the production contract (contract price) to determine the projected price for each specialty type only if the total number of insured acres of the specialty type does not exceed 110 percent of insured specialty type acreage under the contract; and (2) if the contract is cancelled or reduced solely because acreage is prevented from being planted, the original contract amount is used to determine if the 110 percent requirement (total number of insured specialty type acres does not exceed 110 percent of the acreage under contract) has been met.

(c) A contract is required for specialty type barley, corn, canola, and soybeans, if the policyholder wants to insure based on their contact price. Eligible acres are determined in the same manner as for other crops with specific types, in accordance with section 17(e)(1)(i) of the BP (refer to applicable subparagraph C(1) or (2) above).

(B) crop was not insured or was not an insurable crop, or

(C) liability is not known or is not readily available to be obtained (e.g., year in question is 10 or 11 years ago and was insured with different AIP).

(ii) This allocation procedure applies to commingled production from the first crop that is double-cropped (i.e., wheat production from acreage planted to a second crop and not planted to a second crop) as well as the second crop that is double-cropped (i.e., soybean production from acreage planted after a first crop and not planted after a first crop). Refer to paragraph 114 for first and second crop and commingled production in the LAM.

(iii) AIPs must determine the amount of allocated production is representative of the yields per acre, for the particular year and area from both the double cropped and non-double cropped acreage (e.g., The amount of allocated production is reasonable compared to the average yields per acre for the area and that all such production would not have reasonably came from only the first crop acreage or the second crop acreage.).

Clarification: Potential production from appraised production (including acreage by-passed by a processor) of an insured crop would meet the requirement for records of acreage and production that show double-cropping history; provided it also meets the criteria in (2) above. Short-rated wheat acreage cannot be considered for double-cropping history since such acreage is not appraised and does not meet the criteria in (2) above.

(c) If the first insured crop was PP and the second crop is planted on the same acreage in the same CY and the insured acquired additional acreage, the insured may apply the percentage of acres that they have previously double cropped to the total acreage now in their operation using the following calculation:

(i) Determine the number of acres of the first insured crop that were double cropped in each of the years for which records are provided;

(ii) Divide each result of paragraph 43(c)(i) by the number of acres of the first insured crop that were planted in each respective year;

(iii) Add the results of paragraph 43(c)(ii) and divide by the number of years the first insured crop was double cropped; and

(iv) Multiply the result of paragraph 43(c)(iii) by the number of insured acres of the first insured crop.

Example: An insured has 100 acres in their farming operation and provides records showing: 100 acres of wheat planted in 2015 and 50 of those acres were double cropped with soybeans; and 100 acres of wheat planted in 2016 and 70 of those acres were double cropped with soybeans. For the 2017 CY, 60 percent of the wheat acres insured are eligible for double cropping eligibility (50 percent from 2015 + 70 percent from 2015 = 120; 120 / 2 years = 60 percent). Therefore, if the insured acquires 30 additional acres for the 2017 CY and is prevented from planting 130 acres of wheat and a second crop of soybeans is planted on the 130 acres, 78 acres are eligible for double cropping eligibility (130 X .60 = 78).

(4) Double cropping history is specific to the county/policy in which the PP claim is being made.

(5) A crop that has been hayed or grazed (except an insured crop that was released for other use) will not qualify for historically double-cropping crop; i.e., a crop was planted and harvested and was followed by another crop on the same acreage within the same CY that was hayed or grazed.

(6) This chart summarizes the effects planting a second crop and double cropping requirements have on PP payments and premiums of a first insured crop.

ACREAGE OF 1ST INSURED CROP WAS PP			
Is a 2nd crop (other than a cover crop) planted on the same acres?	Does the acreage qualify for double cropping?	Is the 2nd crop planted on or before the FPD or during the LPP of the 1ST insured crop?	Then the applicable percent of PP payment and premium for 1st insured crop is 1/:
NO	Not applicable	Not applicable	100%
YES	NO	NO	35%
YES	NO	YES	NONE
YES	YES	NO	100%
YES	YES	YES	NONE

1 Additional restrictions may apply

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(7) Limitations of Number of Double Cropped Acres

(a) The receipt of a full PP payment on both crops that are double cropped is limited to the number of acres for which the insured can demonstrate he/she has double cropped or that have been historically double cropped.

(b) Ratios for increasing PP eligibility do not apply to double-cropping history. For example, if the producer has the two years of required history and double cropped 40 acres one year and 50 acres in the other, then only 40 acres qualify for double cropping.

(c) If the first insured crop is PP wheat and a second crop is planted and the insured qualifies for 200 acres of double cropping wheat and reports 205 acres of PP wheat, the insured would only qualify to receive 100 percent payment on 200 acres, and the other 5 acres would be subject to the 35 percent PP payment and APH reduction.

(d) If the insured has 200 acres of double cropping history, and the first insured crop is 205 acres of planted wheat, and the subsequent insured crop is 205 acres of PP soybeans, the 5 acres would be removed from the acreage report because those acres do not qualify for a PP payment.

(8) "FAC" and "NFAC" are considered cropping practices listed in the actuarial documents used to determine the insurability of a crop following another crop that meets certain conditions specified in the SP. A crop may be designated as NFAC if it is planted following a cover crop that meets the conditions in the SP, but is not considered double cropping. Refer to the SP for determining "FAC" and "NFAC" qualifications.

(9) Refer to paragraph 82 for examples of determining double cropping eligibility.

44. Revised Acreage Reports Due to Change in Status of a Second Crop or Disposition of Second Crop Acreage

Changes in the status of first insured crop due to the actions of the insured require a revised acreage report. Refer to paragraph 55 below.

45. Loss Adjustment Involving First/Second Crop Acreage

(1) When the insured does not meet the double cropping requirements, the AIP may allow the insured to certify to the following at the time of the first inspection and pay 100 percent of the PP payment (first insured crop) due; provided the insured owns or has control of the first insured crop acreage for the rest of the CY:

(a) A second crop will not be planted on the PP acreage;

C. Examples of Required Revised Acreage Reports for PP Acres

IF...	THEN...
the insured initially certifies PP acreage will be left idle, but the insured later plants it to a second crop within the LPP for the PP crop, and the insured does not meet the double cropping requirements,	revise the acreage report to delete this ineligible PP acreage. If the insured has an active policy for the crop planted, and the crop has not been reported, 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.
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).	Refer to paragraph 84 for example.
the insured reported 100 PP acres of black turtle beans, and the insured's dry bean history in the 4 most recent policy CYs shows the maximum acres for types of dry beans are: 10 acres for black turtle beans and 90 acres for navy beans	revise the acreage report to show 10 acres of PP acres for black turtle beans and 90 acres PP for navy beans.
acreage reported as PP is found to not be eligible for PP coverage	revise the acreage report to delete this ineligible acreage from the acreage report.
acreage reported as PP acres to be left idle, is planted to the crop reported as PP **after** the LPP (after the FPD if LPP is not applicable), and after the acreage reporting date.	revise the acreage report within 5 days after planting is complete to delete the PP acreage. If acreage is planted after the LPP (or after FPD if LPP is not applicable), the acreage report will be revised to show the acreage as insured *** or uninsured depending on the insured's choice.
it is verified that the PP acreage of the insured crop is physically located in a different unit than was reported on the initial acreage report,	revise the acreage report to reflect the correct unit in which the PP acreage is located.
the number of reported PP acres exceeds the number of acres eligible for a PP payment,	revise the acreage report to delete the number of acres that exceed the number of acres eligible for a PP payment.
the acreage reported as PP according to the insured's practices/rotational requirements show the acreage would have remained fallow or been planted to another crop than the crop reported as PP,	revise the acreage to remove the ineligible acres.

C. Examples of Required Revised Acreage Reports for PP Acres (continued)

<table>
<tr><th>IF...</th><th>THEN...</th></tr>
<tr><td>the number of PP and planted acres reported do not match the PP and the planted acres that were determined to exist and the total number of determined acres do not exceed the reported acres for the unit; and the:

(1) PP acres are not increased, and all other PP eligibility requirements are met, and

(2) planted acres pass a crop inspection in accordance with the criteria for increasing liability stated in the LAM.</td><td>revise the acreage report to reflect the number of acres of PP and planted acres that were actually determined to exist.

Example:

Reported Acres | 50 planted | $ 5,000 liab.
100 PP | $ 6,000 liab.
Total liab. = | $11,000 liab.

Determined Acres | 75 planted | $ 7,500 liab.
75 PP | $ 4,500 liab.
Total liab. = | $12,000 liab.

If the planted acreage did not pass the crop inspection, the PP acres that were not prevented from planting (25 acres in this case) would have to be removed, and the planted acreage could not be added.</td></tr>
<tr><td>in the 4 most recent policy CYs, an insured has not planted any crop in the county for which PP insurance was available or has not received a PP insurance guarantee, and the insured:

(1) reports that he/she intends to plant all his/her cropland acres (1,000 acres) to fall wheat on the Intended Acreage Report prior to the SCD closing date for fall wheat, and

(2) the insured later reports 500 PP acres for wheat and 500 PP acres for corn on the Acreage Report by the acreage reporting date,</td><td>revise the acreage report to list 1,000 wheat PP acres if it is determined that the insured was prevented from planting all 1,000 acres of wheat due to an insurable cause. If it is determined the wheat acres were prevented from planting, the acreage report must be revised to 1,000 wheat PP acres because the insured did not have any eligible PP acres for corn due to the eligible acres being established on the intended acreage report in accordance with the BP (i.e., eligible PP acres for producer who in the 4 most recent policy CYs has not planted any crop in the county for which PP insurance was available or has not received a PP guarantee). If there was no wheat prevented from planting, no PP payment can be paid for PP corn or soybeans.</td></tr>
<tr><td>a 100 acre field of corn is PP and reported as PP corn. The insured plants 30 acres of soybeans after the LPP for corn in the same field (the insured has no history of planting both corn and soybeans in this field in the same CY in any one of the four most recent CYs),</td><td>the insured qualifies for a 35% PP corn payment on the 30 planted acres of soybeans since the soybeans are planted after the LPP for corn; and

the remaining 70 acres in the field qualify as 100% PP corn payment since the PP corn was the first insured crop and the planted soybeans would be considered a second crop.</td></tr>
</table>

57-60 (Reserved)

B. Other Crops (continued)

eligible bean type acres, followed by acres from the crop with a PP payment most similar to the dry bean crop claimed as PP, as follows:

(i) In this case, the 25.0 acres and payment from the kidney beans would be used first, followed by remaining bean types with the most similar payment to the kidney beans (navy beans). Since the 25.0 acres of navy beans are the only other type of dry beans remaining, those acres are used next (premium and PP payment will be paid as navy beans since it results in a lower payment than the kidney beans).

(ii) This is then followed by the crop with the most similar payment to kidney beans, which is Spring Wheat (The premium and PP payment for the 50.0 acres claimed as PP kidney beans will be paid as spring wheat since it is lower than kidney beans).

(iii) The remaining 25.0 acres claimed as PP dark kidney beans will use the eligible corn acres since it is the only crop with eligible acres remaining, but the premium and PP payment will be paid as kidney beans since it is lower than the corn PP payment.

Example 3: The insured is claiming 155.0 acres PP for pinto beans on unit 0001-0001OU.

The insured has 50.0 maximum eligible PP acres of history for pinto beans on all units of dry beans in the county. However, the insured has other insured dry bean types, as well as other crops, in the county that have remaining eligible acreage. Since the 155.0 acres claimed for PP exceed the 50 maximum eligible PP acres for pinto beans, the remaining 105.0 acres must be paid based on the remaining eligible acres from another dry bean type(s) and other crops, as follows:

Eligible PP Acres and PP Dollar Guarantee			
Crop	**Unit**	**Eligible PP Acres**	**$ Per Acre PP Guarantee**
Pinto Beans	0001-0001OU	50 Acres	$81.00
Cranberry Beans	0001-0003OU	30 Acres	$85.00
Navy Beans	0001-0002OU	25 Acres	$66.00
Wheat	0001-0001OU	25 Acres	$40.00
Soybeans	0001-0002OU	25 Acres	$124.00
Total		155.0 Acres	

(i) Acres from the dry bean types must be used first. In this situation, the first crop used will be 50 acres of pinto beans.

B. Other Crops (continued)

(ii) Once the 50 acres of pinto bean history has been exhausted, you must next use the 30 acres of the cranberry bean history. The $85.00 per-acre PP guarantee for cranberry beans is the closest to the $81.00 per-acre PP guarantee for pinto beans, but would result in a higher PP payment than pinto beans. Therefore, the pinto beans will be used to make the PP payment, using the 30 acres of PP eligibility from cranberry beans.

(iii) You must next use the 25 acres of the navy bean history to exhaust PP eligible acres for the dry bean crop since the $66.00 per-acre PP guarantee for navy beans is the closest to the $81.00 per-acre PP guarantee for pinto beans. The PP payment for the navy beans would result in a lower PP payment than pinto beans. Therefore, the navy beans will be used to make the PP payment, using the 25 acres of PP eligibility from the navy beans. Since pinto beans was the dry bean type claimed as PP, use pinto beans to compare to other crops used to determine which crop results in the most similar payment.

(iv) The next most similar PP payment to the pinto bean PP payment is the 25 acres of eligibility for wheat. The $40.00 per-acre PP guarantee for wheat is the closest to the $81.00 per-acre PP guarantee for pinto beans. Since the wheat would result in the lowest PP payment, the wheat will be used to make the PP payment, using the 25 acres of PP eligibility from the wheat.

(v) Soybeans is the only remaining crop with eligible acres. The $81.00 per-acre PP guarantee for the pinto beans would result in a lower PP payment than the $124.00 per-acre PP guarantee for soybeans. Therefore, the pinto beans will be used to make the PP payment, using the 25 acres of PP eligibility from the soybeans.

Example 4: Same situation as in (iii) above except the insured has planted 25 acres of navy beans and 30 acres of cranberry beans. The insured is claiming 100.0 acres PP for pinto beans on unit 0001-0001OU. No types of dry beans have remaining eligible PP acres. However, the insured does have unit 0001-0001OU wheat and unit 0001-0002OU soybeans that each has 25.0 acres of remaining eligible acres. The crop/unit having the most similar payment to the pinto beans will be compared to what the pinto bean PP payment would be using the following information.