

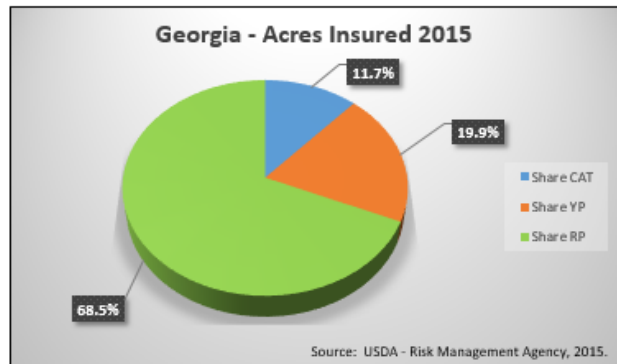
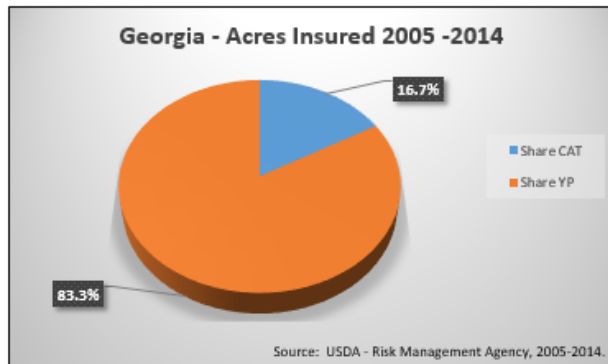
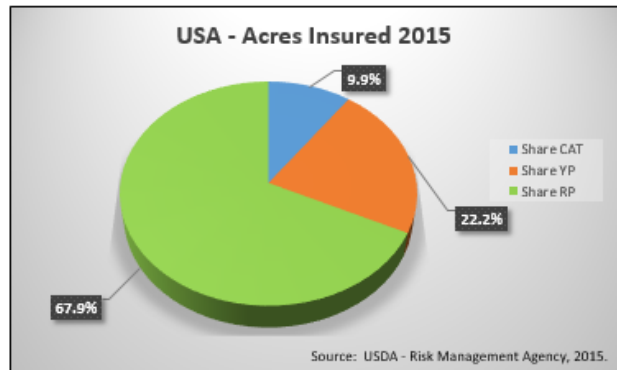
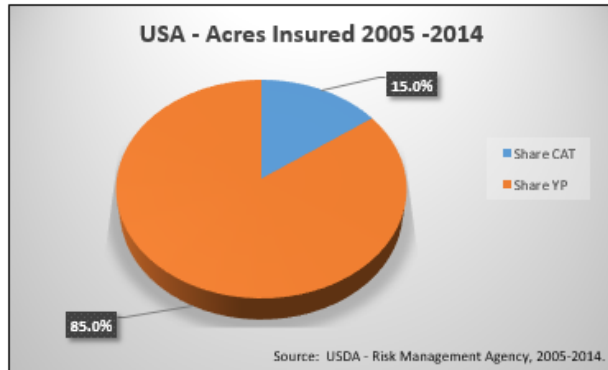
Evaluation of 2015 Peanut Crop Insurance Program

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On September 2014, a new peanut revenue policy was approved by the Federal Crop Insurance Corporation for the 2015 peanut crop year. This policy replaced the Actual Production History (APH) program and will offer growers with a choice of Yield Protection (YP), Revenue Protection (RP) and Revenue Protection with the Harvest Price Exclusion (RPHPE). Peanut harvest price will be determined through a formula that relates shelled peanut prices to Futures prices of the following commodities: December wheat, cotton, soybean oil and soybean meal contracts and other factors.

For the prior ten years before 2015, 85% of U.S. peanut acres were insured under the YP policy and the remaining went to the Catastrophic (CAT) policy. A similar situation was observed in Georgia where 83.3% of acres had the YP policy and 16.7% for CAT. From the top four peanut states, Georgia, Florida and Texas had a similar relationship for these two policies relative to the national average. However, Alabama had on average 93.2% of their acres insured under YP.

The new Peanut Crop Insurance beginning 2015 changed the landscape. As was expected, growers decided to move into the new revenue policy attempting to mitigate risks on prices they were not able to control previously. In the first year, 67.9% of U.S. acres were insured under the revenue option. YP and CAT policies had their share reduced to 22.2% and 9.9%, respectively. For Georgia, 68.5% of acres for RP, 19.9% for YP and 11.7% for CAT were observed.



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