



United States Department of Agriculture  
Risk Management Agency

March 2005

## 2005 COMMODITY INSURANCE FACT SHEET

# Processing Cucumbers

## Michigan

### Crop Insured

Cucumbers that are planted for harvest as processing cucumbers, grown under a contract executed with a processor, grown by a person who (in at least one of the three previous crop years) has experience growing cucumbers or managing a cucumber farming operation, for which a premium rate is provided by the actuarial documents, and in which you have a share.

### Counties Available

Cabbage insurance is available in 2005 Crop Year Pilot Counties only - Gratiot and St. Joseph.

### Causes of Loss

Adverse weather conditions  
Earthquake  
Failure of irrigation water supply, if applicable, due to an unavoidable cause of loss occurring within the insurance period  
Fire  
Insects\*  
Plant disease\*  
Volcanic eruption  
Wildlife

All specified causes of loss must be due to a naturally occurring event.

\*But not damage due to insufficient or improper application of pest or disease control measures.

### Excluded Causes of Loss

Failure to follow processor contract requirements  
Failure to harvest due to breakdown of equipment or failure to operate such equipment  
Loss of production due to inadequate pollination unless adequate honeybees were placed in and about the field  
Nematode damage, unless acreage fumigated in the same calendar year  
Uninsured cucumber acreage harvested instead of insured acreage

### Insurance Period

Coverage begins the later of the date we accept your application or, when the cucumbers are planted, and ends the earliest of: (1) total destruction or abandonment of the crop; (2) harvest of the unit; (3) final adjustment of a loss; (4) the date by which the crop should have been harvested; (5) the date the proceeds from the processor (minus the allowable costs) exceed the dollar amount of insurance for the unit; (6) July 31 for spring-planted cucumbers in St. Joseph County; or (7) September 20 for all cucumbers in Gratiot County and for fall-planted cucumbers in St. Joseph County.

### Reporting Requirements

**Acreage Report** - You must report to your insurance provider all acreage of the insured crop in the county in which you have a share, the dates the acreage was planted, and provide a copy of all processor contracts you have executed.

### Important Dates

Sales Closing ..... March 15  
Final Planting..... Varies by County<sup>1</sup>  
Acreage Report ..... Varies by County<sup>2</sup>  
Cancellation..... March 15

1) St. Joseph County ..... Spring Planted, June 15  
St. Joseph County ..... Fall Planted, August 1  
Gratiot County ..... All Cucumbers, July 15  
2) St. Joseph County ..... Spring Planted, June 30  
St. Joseph County ..... Fall Planted, August 15  
Gratiot County ..... All Cucumbers, August 15

## Definitions

**Amount of Insurance** - The fixed dollar amount of insurance selected by you as shown on the county actuarial documents.

**Allowable Cost** - Allowable cost for harvested production will include the actual cost of picking, grading, packing containers, hauling and selling not to exceed \$0.24 per 50 pound bushel.

**Minimum Value** - The minimum value to be used for harvested and appraised production will be the lesser of the contract price or \$3.36 per 50 pound bushel.

## Coverage Levels and Premium Subsidies

Instead of guaranteeing production, the policy guarantees a dollar amount of coverage, depending on the level of coverage selected. Crop insurance premiums are subsidized as shown below. For example if you select the 75-percent coverage level, the premium subsidy is 55 percent and your premium share is 45 percent of the base premium.

Item	Percent					
Coverage Level	50	55	60	65	70	75
Premium Subsidy	67	64	64	59	59	55
Your Share	33	36	36	41	41	45

The total cost for CAT coverage will be an administrative fee of \$100 per crop per county, regardless of the acreage. All other coverage levels require a \$30.00 administrative fee.

## Reference Maximum Dollar Amounts

County	Practice	\$ Amount
St. Joseph	Spring/Fall Planted IRR	\$750
Gratiot	IRR	\$750
Gratiot	Non-IRR	\$660

## Replant Provisions

Replant payment provisions are not applicable to this crop.

## Late and Prevented Planting

Late and prevented planting provisions are not applicable to this crop.

## Loss Example

A loss occurs when the crop value falls below the guaranteed dollar amount as a result of damage from a covered cause of loss. This example assumes 65-percent coverage level for \$488.00 per acre with .667 share with an irrigated practice. **(Fixed dollar amount x unit acres - production x share)**

\$488	Per acre guarantee
x 100	Acres
\$48,800	Unit guarantee
- \$40,000	Value of production-to-count
\$8,800	Unit indemnity
x .667	Share
<b>\$5,870</b>	<b>Final indemnity</b>

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