

# Mint Pilot

## Wisconsin

### Crop Insured

The crop insured will be mint types peppermint and spearmint in the county for which a premium rate is provided by the actuarial documents:

- In which you have a share;
- That are planted for harvest and distillation as mint oil;
- That have an adequate stand by the date coverage begins.

### Counties Available

This insurance coverage is available in Dane, Jefferson, Marquette, and Walworth Counties.

### Causes of Loss

Adverse weather conditions<sup>1</sup>  
Failure of irrigation water supply<sup>2</sup>  
Fire<sup>3</sup>  
Insects<sup>4</sup>  
Plant disease<sup>4</sup>  
Wildlife

<sup>1</sup>Including hail, frost, freeze, drought, and excess precipitation. <sup>2</sup>If caused by an insured cause of loss. <sup>3</sup>If due to natural causes. <sup>4</sup>But not damage due to insufficient or improper application of pest or disease control measures.

### Important Dates

Fall Sales Closing Date (Winter Option)..... September 30, 2004  
Spring Sales Closing Date (Basic Coverage)..... March 15, 2005  
Final Planting Date ..... May 31, 2005  
Acreage Reporting Date (Winter Option) ..... December 15, 2004  
Acreage Reporting Date (Basic Coverage) ..... July 15, 2005  
Premium Billing Date ..... October 1, 2005  
Insurance Begins (Winter Coverage) ..... October 1, 2004  
Insurance Begins (Basic Coverage) ..... June 16, 2005  
Insurance Ends (Winter Coverage) ..... June 15, 2005  
Ins. Ends at harvest or (Basic Coverage) ..... September 30, 2005  
Production Reporting Date ..... November 14, 2004

### Definitions

**APH Yield** — Actual production history (APH) yield used to determine the production guarantee. The APH yield is based on up to 10 years of actual and/or assigned yields.

**Unit** — The insurable acreage used to determine the APH yield, the production guarantee, and any indemnity (loss payment).

**Production Guarantee** — Number of pounds of mint oil guaranteed per unit. Multiply your APH yield per acre  $x$  the coverage level percentage you select  $x$  the number of acres in the unit.

### Coverage Levels and Premium Subsidies

Mint may be insured at the coverage levels shown in the table below. Crop insurance premiums are subsidized as shown. For example if you select the 75-percent coverage level, your coverage will be 75 percent of your approved APH yield, the premium subsidy is 55 percent, and your premium share is 45 percent of the base premium. Catastrophic coverage (CAT) is available at 50 percent of your APH yield and 55 percent of the established price election. The total cost for CAT coverage will be an administrative fee of \$100 per crop per county, regardless of the acreage. Administrative fees, in addition to premium costs, for coverage levels above CAT are \$30 per crop per county.

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

### Price Elections

Price of compensation per pound of oil in case of loss:

- Established price: \$12.00 per pound (peppermint)
- Established price: \$11.00 per pound (spearmint)

### Insurance Units

**Basic Unit:** A basic unit includes all of your insurable mint acreage in the county by share arrangement. Premiums are reduced 10 percent for a basic unit.

**Optional Unit:** If a basic unit consists of two or more sections of land, and certain record keeping requirements are met, you may apply for optional units by section. The 10-percent premium discount will not apply.

## Plans of Insurance

The APH plan is the only plan of insurance available for mint. The production guarantee is based on your individual yield history.

## Options

**Winter Coverage Option** - *Not available under a catastrophic (CAT) policy*

You must elect the winter coverage option on your application on or before the fall sales closing date. This option provides a reduced guarantee (60 percent of basic coverage guarantee) and additional premium. Contact a crop insurance agent for more details.

## Loss Example

A loss occurs when the pounds of mint oil produced for the unit fall below the production guarantee as a result of damage from a covered cause of loss. This example assumes an APH yield of 45 pounds of oil per acre, 65-percent coverage level, 100 percent of the established price, and basic unit coverage.

### APH Example - Basic

45	pounds per acre APH yield
<u>x .65</u>	coverage
29.3	pound guarantee*
- 12.0	pounds per acre actually produced
17.3	pounds per acre loss
x \$12.00	price election
\$207.60	gross indemnity*
- \$5.00	estimated premium per acre
<b>\$202.60</b>	<b>net indemnity*</b>

### Winter Coverage Example

29.3	pound guarantee* (see APH example)
<u>x .60</u>	winter coverage level
17.6	pound guarantee
x \$12.00	harvest price
\$211.20	guarantee per acre
30	acres of a 60 acre unit has no stand
\$211.20	per acre payment on 30 acres
- \$6.00	estimated premium
<b>\$205.20</b>	<b>net indemnity*</b>

\* Figures shown on a per acre basis; guarantees and losses are paid on a unit basis. See policy provisions.

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