



United States Department of Agriculture
Risk Management Agency

April 2005

2005 COMMODITY INSURANCE FACT SHEET

Winter Squash

Pilot Program: Massachusetts

Crop Insured

Winter squash (genus *Cucurbita*) of the acorn, butternut, or buttercup types planted to be harvested for human consumption is insurable, including squash grown for direct marketing. The crop must be grown by a person who has either grown squash for commercial sale or managed a commercial squash farming operation in at least one of the three previous crop years.

Counties Available

Winter squash are insurable in Berkshire, Bristol, Franklin, Hampden, and Hampshire counties.

Causes of Loss

Adverse weather conditions¹
Failure of irrigation water supply²
Fire
Insects³
Plant disease³
Wildlife

¹Such as hail, frost, freeze, excess precipitation, and drought.

²If due to an insurable cause of loss.

³Only if sufficient and proper control measures are used.

Note: This policy does not insure any loss of production due to: failure to harvest in a timely manner, failure to market the winter squash, unless such failure is due to actual physical damage caused by an insured cause of loss that occurs during the insurance period, or inadequate pollination (unless it is determined there were adequate honeybees in the area during flowering). Phytophthora will not be an insurable cause of loss the second year on the same acreage.

Insurance Period

Coverage usually begins when the winter squash are planted and ends the earliest of: (1) total destruction of the crop, (2) abandonment of the crop,

(3) completion of harvest, (4) final adjustment of a loss, or (5) October 31, 2005.

Reporting Requirements

Acreage Report—By the acreage reporting date, you must report to your agent all acres of winter squash in which you have a share.

Important Dates

Sales Closing March 15, 2005
Final Planting Date June 10, 2005
Acreage Report Date July 1, 2005

Definitions

Allowable Cost—The dollar amount per pound for costs we estimate to be incurred during and after harvesting (such as picking, grading, packing, shipping, etc.) as shown in the special provisions.

Amount of Insurance—The dollar amount obtained by multiplying the reference maximum dollar amount shown on the actuarial documents by the coverage level percentage you elect.

Hundredweight—One hundred (100) pounds avoirdupois.

Marketable Production—Pumpkins or winter squash that meet the standard for grading No. 1 or would be accepted by a packer, processor, consumer, or other handler even if failing to meet grading standards.

Minimum Value—The dollar amount per pound shown in the special provisions that we will use to value marketable production.

Minimum Value Option—For additional premium, the minimum value described above will not apply to any sold production (thereby reducing the value of production counted against the guarantee). However, the value of sold production under this option, after subtracting the allowable cost, will not be lower than \$5.00.

Potential Production— The number of hundred-weight of squash or pumpkins that the plants will or would have produced per acre by the end of the insurance period, assuming normal growing conditions and practices.

Price Elections

Price used to calculate your premium or indemnity:

CAT Coverage	\$281 per acre
Minimum Amount of Coverage	\$510 per acre
Maximum Amount of Coverage	\$764 per acre

Price elections are posted on the RMA website at:
<http://www3.rma.usda.gov/apps/pricesinquiry/>

Coverage Levels and Premium Subsidies Amount of Insurance

Insurance is provided against a decline in the amount of income due only to the perils named in the causes of loss section.

Coverage levels range from 50 to 75 percent of your amount of coverage and are subsidized as shown in the table below.

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

Catastrophic (CAT) coverage is fixed at 27.5 percent of the reference maximum price. CAT is 100 percent subsidized with no premium cost to you except for an administrative fee of \$100, regardless of the acreage.

Duties in the Event of Damage or Loss

(1) Protect the crop from further damage by providing sufficient care; (2) notify your agent within 72 hours of your initial discovery of damage; and (3) leave representative samples intact for each field of the damaged unit

Loss Example

This example assumes 4 cwt. per acre sold (at \$22 per cwt.) and 3 cwt. stored:

Sold production = (average price per cwt. **minus** allowable cost) **times** number of cwt. sold.

$(\$22 - \$7) \times 4 \text{ cwt.} = \60

Stored Production = minimum value of \$13 per cwt. **times** number of cwt. stored.

$\$13 \times 3 \text{ cwt. stored} = \39

Sold Production = \$60

Stored Production = \$39

Value of Production = \$99

\$662	Amount of dollar coverage elected per acre (65-percent level)
- \$99	Value of production (7 cwt. produced per acre)
\$563	Dollar loss per acre
- \$34	Estimated premium per acre
\$529	Net indemnity per acre

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