



United States Department of Agriculture
Risk Management Agency

March 2005

2005 COMMODITY INSURANCE FACT SHEET

Processing Tomatoes

Maryland

Crop Insured

The crop insured will be tomatoes planted for harvest as **processing tomatoes**, grown under the requirements of a processor contract executed by August 20 and that are not excluded from the contract during the crop year. Unless allowed by the special provisions or by written agreement, the policy **does not cover** any acreage on which tomatoes were:

- Grown in either of the two previous years;
- Inter-planted with another crop; or
- Planted into an established grass or legume.

Counties Available

Processing tomatoes are insurable in Cecil, Dorchester, Kent, Queen Anne's, Somerset, Talbot, and Worcester counties. Processing tomatoes may be insurable in other counties if certain criteria are met. Contact a crop insurance agent for details.

Causes of Loss

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

¹Includes excessive moisture that prevents timely harvesting and abnormal temperatures that result in bypassed acreage because too much acreage was ready for harvest than could be feasibly harvested, or the processing of such production was beyond the capacity of the processor. ²If caused by an insured cause of loss. ³But not due to insufficient or improper application of control measures.

Insurance Period

Coverage usually begins when the tomatoes are planted and ends at the earlier of the following: (1) sufficient production is harvested that fulfills an amount if so stipulated in your contract, (2) the date the tomatoes should have been harvested but were not, (3) tomatoes were abandoned, (4) harvest was completed, (5) final adjustment of a loss, or October 10, 2005.

Note: Any acreage of tomatoes damaged to the extent that most producers in the area would not normally further care for the tomatoes will be deemed to have been destroyed even though you may continue to care for your crop.

Reporting Requirements

Acreage Report—You must report all acreage of your processing tomatoes, both insured and uninsured, and provide a copy of all processor contracts to your agent by the acreage reporting date.

Important Dates

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

Definitions

Production Guarantee— Number of **tons** guaranteed per acre determined by multiplying your average yield per acre (based on your records) times the coverage level you elect.

Price Election— The price basis used to calculate premium and indemnity. Price elections are posted on the RMA website at:

<http://www3.rma.usda.gov/apps/pricesinquiry/>

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 (but not later than 15 days after the end of the insurance period); and
- (3) leave representative samples intact for each field of the damaged unit.

Price Election

\$71.00 per ton

Coverage Levels and Premium Subsidies

Coverage levels range from 50 to 75 percent of your average yield. For example, an average yield of 12 tons/ac would result in a guarantee of 9 tons per acre at the 75-percent coverage level. Crop insurance premiums are subsidized as shown in the following table. For example, if you select the 75-percent coverage level, your premium share would be 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 Premium Share	33	36	36	41	41	45

Catastrophic (CAT) Coverage is fixed at 50 percent of your average yield and 55 percent of the price election. The cost for CAT coverage is an administrative fee of \$100, regardless of the acreage.

Price Election Stages

Once you have decided on your price election, the amount of the price election used to determine an indemnity for processing tomatoes depends on the stage of the plant. Stages are determined on a per acre basis:

Stage 1—From planting until first fruit set. The price used to establish the amount of any indemnity on such acreage is **50 percent** of your price election.

Stage 2—From first fruit set until harvest. The price used to establish the amount of any indemnity on such acreage is **80 percent** of your price election.

Stage 3 (Final)—Harvested acreage. The price used to establish the amount of any indemnity on harvested acreage is **100 percent** of your price election.

Insurance Units

Your insurable acreage will be grouped into one or more units in order to establish the approved yield, calculate a guarantee, and determine any indemnity.

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

Optional Units: If a basic unit consists of two or more farm serial numbers (FSN) and certain record-keeping criteria are met, you may apply for optional units by FSN. The 10-percent discount will not apply.

Production to Count

Production on which we do not pay a claim for loss is called production to count. This includes appraised production, usable harvested production, and any harvested production delivered to the processor that does not meet the quality requirements of the contract because it was not timely delivered. Once harvest begins on any acreage covered by a processor contract that specifies the number of tons to be delivered, the total indemnity payable will be limited to an amount based on the lesser of the guaranteed tons or the tons remaining unfulfilled under the processor contract.

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