



United States Department of Agriculture  
Risk Management Agency

April 2005

## 2005 COMMODITY INSURANCE FACT SHEET

# Winter Squash

## Pilot Program: Pennsylvania

### Crop Insured

Only pumpkins of the genus *Cucurbita* and of the species *C. pepo* or *C. moschata* planted to be harvested for human consumption or for ornamental purposes may be insurable, including pumpkins grown for direct marketing. The crop must be grown by a person who has grown pumpkins for commercial sale or managed a commercial pumpkin farming operation in at least one of the three previous crop years.

Note: Pumpkin varieties of the species *C. maxima* are **not** insurable.

### Counties Available

Winter squash are insurable in Bucks and Lancaster counties.

### Causes of Loss

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

<sup>1</sup>Including hail, frost, freeze, drought, and excess precipitation. <sup>2</sup>If due to an insurable cause of loss. <sup>3</sup>Only if sufficient and proper control measures are used.

Note: This policy does **not insure** any loss of production due to (1) failure to harvest in a timely manner; (2) failure to market the pumpkins, unless such failure is due to actual physical damage caused by an insured cause of loss that occurs during the insurance period; (3) 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 pumpkins are planted and ends at the earliest of: (1) total destruction of the crop, (2) abandonment of the crop,

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

### Reporting Requirements

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

### Important Dates

Sales Closing ..... March 15, 2005  
Final Planting Date ..... July 15, 2005  
Acreage Report Due ..... July 30, 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) 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** (cwt.) —One hundred 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 \$3.25.

**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.

### 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 damage unit.

### Price Elections

Price used to calculate your premium or indemnity:

CAT Coverage	\$323 per acre
Minimum Amount of Coverage	\$586 per acre
Maximum Amount of Coverage	\$879 per acre

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

### Loss Example

This example assumes 8 cwt. per acre sold (at \$15 per cwt.) and 6 cwt. stored:

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

$$(\$15 - \$3) \times 8 \text{ cwt.} = \$96$$

Stored Production = minimum value of \$6.50 per cwt. **times** number of cwt. stored.

$$\$6.50 \times 6 \text{ cwt. stored} = \$39$$

$$\text{Sold Production} = \$96$$

$$\text{Stored Production} = \$39$$

$$\text{Value of Production} = \$135$$

\$701	Amount of dollar coverage elected per acre (65% level)
- \$135	Value of production (14 cwt. produced per acre)
\$566	Dollar loss per acre
- \$30	Estimated premium per acre
<b>\$536</b>	<b>Net indemnity per acre</b>

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