



United States Department of Agriculture  
Risk Management Agency

March 2005

## 2005 COMMODITY INSURANCE FACT SHEET

# Potatoes

## Rhode Island

### Crop Insured

Potatoes planted with certified seed for harvest as either certified seed stock or for human consumption may be insured. The policy does not cover any acreage where the potatoes are:

- Inter-planted with another crop;
- Planted into an established grass or legume; or
- Planted without following crop rotation requirements when specified in the special provisions.

### Counties Available

Potatoes are insurable in Newport and Washington counties. Potatoes may be insurable in other counties if specific criteria are met. Contact an agent for more details.

### Causes of Loss

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

<sup>1</sup>Natural perils such as hail, frost, freeze, drought, and excess moisture. <sup>2</sup>Only if sufficient and proper control measures are used.

Note: This policy does not insure against loss of production from damage occurring after potatoes are placed in storage.

### Insurance Period

Coverage begins when the potatoes are planted and ends at the earliest of: (1) total destruction of the potatoes, (2) harvest of the crop, (3) abandonment of the crop, (4) final adjustment of a loss, (5) October 31, 2005.

### Reporting Requirements

**Acreage Report**—You must timely report to your agent all the acres of potatoes in the county in which you have a share.

### Important Dates

Sales Closing .....	March 15, 2005
Final Planting Date .....	June 10, 2005
Acreage Report Due.....	July 15, 2005
Insurance Ends .....	October 31, 2005

### Definitions

**Average APH Yield**— Your average yield per acre based on your actual yields and usually referred to as the actual production history (APH) yield.

**Production Guarantee**— Hundredweight (cwt.) guaranteed per acre determined by multiplying your average APH yield (based on your records) times the coverage level percentage you elect.

**Price Election**— The price used to calculate your premium or 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.

## Coverage Levels and Premium Subsidies

Coverage levels range from 50 to 75 percent of your average yield and are subsidized as shown in the table below. As an example, an average potato yield of 260 cwt. per acre would result in a guarantee of 195 cwt. per acre at the 75-percent coverage level. In the following table, if you selected 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 average yield and 55 percent of the price election. CAT is 100% subsidized with no premium cost to you except for an administrative fee of \$100, regardless of the acreage.

## Price Election

\$7.05 per cwt

## 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.

## Options

Protection for quality and storage may be included in your policy for an additional premium. Consult a crop insurance agent for more details.

## Loss Example

This example assumes an average yield of 260 cwt. per acre, 65-percent coverage level, no endorsements, and basic units.

260	Cwt. per acre average yield (APH)
x .65	Coverage level percentage
169	Cwt. per acre guarantee
- 89	Cwt. per acre production
80	Cwt. per acre loss
x \$7.05	Price election
\$564	Gross indemnity per acre
- \$28	Estimated producer's share of premium per acre
<b>\$536</b>	<b>Net indemnity per acre</b>

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