



United States Department of Agriculture
Risk Management Agency

April 2005

2005 COMMODITY INSURANCE FACT SHEET

Fresh Market Tomatoes

Virginia

Crop Insured

Tomatoes transplanted and grown for harvest as **fresh market tomatoes** and subject to a packing contract executed by the acreage reporting date may be insurable. **Cherry, roma, or plum** type tomatoes are **not** insurable.

The policy **does not cover** any tomato acreage:

- Grown by anyone who has not grown fresh market tomatoes for commercial sale, or participated in the management of a fresh market tomato farming operation, in one of the three previous years;
- Where tomatoes, peppers, eggplant, or tobacco have been grown within the previous two years unless the soil was fumigated or nematicide was applied before planting the tomatoes;
- Grown for direct marketing;
- Inter-planted with another crop;
- Planted into an established grass or legume; or
- Directly seeded in the field.

Counties Available

Fresh market tomatoes are insurable in Accomack and Northampton counties. Fresh market 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 swupply²
 Fire
 Plant disease³
 Insects³
 Wildlife

¹Including drought, frost, freeze, hail, excess precipitation. ²If caused by an insured peril. ³But not due to insufficient or improper application of pest or disease control measures.

Note: Damage that occurs or becomes evident after the tomatoes are harvested will not be covered.

Insurance Period

Coverage begins when the tomatoes are planted and ends at the earliest of: (1) total destruction of the tomatoes, (2) discontinuance of harvest, (3) the date harvest should have started on acreage not harvested, (4) 120 days after transplanting, (5) completion of harvest, (6) final adjustment of a loss, or (7) October 15, 2005.

Reporting Requirements

Acreage Report—You must report all tomato acreage in the county, both insured and uninsured, to include the row width.

Important Dates

Sales Closing	March 15, 2005
Final Planting Date	April 30, 2005
Acreage Report Date.....	May 31, 2005

Definitions

Production Guarantee— Number of 25-pound cartons guaranteed per acre determined by multiplying your average yield per acre by the coverage level percentage 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

\$4.60 per ctn

Coverage Levels and Premium Subsidies

Your guarantee depends on the coverage level you choose. Coverage levels range from 50 to 75 percent of your average yield. For example, an average yield of 1200 cartons per acre would result in a guarantee of 600 cartons/acre at the 50-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 Elections

The production guarantee increases by stages at intervals to the full production guarantee of the fourth stage:

Stage 1—From planting until qualifying for stage 2. The price used to establish the amount of any indemnity on such acreage is **50 percent** of your price election.

Stage 2—From earlier of stakes driven, one tie/pruning, or 30 days after planting, until stage 3. The price used to establish the amount of any indemnity on such acreage is **75 percent** of your price election.

Stage 3—From earlier of the end of stage 2 or 60 days after planting, until stage 4. The price used to establish the amount of any indemnity on harvested acreage is **90 percent** of your price election.

Stage 4—From the earlier of 75 days after planting, or the beginning of harvest. The price used to establish the amount of any indemnity on harvested acreage is **100 percent** of your price election.

Production to Count

Production on which you are not paid a claim for loss is called production to count. This includes appraised production, marketed production (regardless of grade), and any harvested but unmarketed production that grades 85 percent or better U.S. No. 1 with a classification size of 6 x 7 (2 8/32 inch minimum diameter) or larger.

Replant Provisions

A replanting payment may be allowed if the crop is damaged by an insurable cause of loss and the acreage to be replanted has sustained a loss in excess of 50 percent of the plant stand. The maximum amount of the replanting payment per acre will be 70 cartons multiplied by your price election.

Loss Example

This example assumes average yield of 1200 cartons per acre, 50-percent coverage level, irrigated mulch staked, and basic units.

1200	Cartons average yield per acre (APH)
<u>x .50</u>	Coverage level percentage
600	Cartons per acre guarantee
<u>- 200</u>	Cartons actually produced per acre (production to count)
400	Cartons per acre loss
<u>x \$4.60</u>	Price election
\$1840	Gross indemnity per acre
<u>- \$53</u>	Estimated premium
\$1787	Net indemnity per acre

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