



United States Department of Agriculture
Risk Management Agency

February 2009

2009 COMMODITY INSURANCE FACT SHEET

Sweet Cherries

Utah

Actual Revenue History (ARH)

- Protects growers against losses from low yields, low prices, low quality, or any combination of these events.
- Grower's coverage based on their own net revenue history.
- Revenue is determined after harvest at the point of first delivery.
- Utilization determined by predominant end use.
- Incidental income from sales of other uses included in revenue.

Crop Insured

- All varieties of sweet cherries that are adapted to the area;
- Fresh use only;
- Irrigated;
- Produced at least 2,000 pounds of cherries per acre in one of the three previous crop years; and
- Growers must insure all of their cherry acreage in the county at the same coverage level.

Counties Available

Utah

Causes of Loss

Adverse weather conditions¹
 Failure of irrigation water supply²
 Fire³
 Inadequate market price
 Insects⁴
 Plant disease⁴
 Wildlife⁵

¹Natural perils such as hail, frost, freeze, wind, drought, and excess moisture.

²If caused by an insured peril during the insurance period.

³Unless weeds and undergrowth are not controlled or unmulched pruning debris is not removed.

⁴But not damage due to insufficient or improper application of control measures.

⁵Unless wildlife control measures have not been taken.

Important Dates

Sales Closing November 20, 2008
 Acreage Report Due January 15, 2009
 Revenue Reporting Date..... January 15, 2009
 Billing Date..... September 15, 2009

Insurance Period

- Coverage begins November 21, 2008 (except for the year of application);
- Continuous coverage begins September 1, 2009
- Ends in the calendar year in which cherries are:
 - Physical damage:
 - Normally harvested, or
 - August 31, 2009.
 - Inadequate price:
 - January 15, 2010.

Coverage Levels and Premium Subsidies

- Coverage levels range from 50 to 75 percent.
- Catastrophic (CAT) risk coverage is unavailable.
- Select a payment factor ranging from .67 to 1.0
 - Reduces amount of insurance without changing the point at which indemnities trigger
 - Reduces premium and indemnity amount paid

Cost of Crop Insurance

- Agricultural Risk Protection Act of 2000 raised the subsidies for federal crop insurance premiums substantially.
- Higher coverage levels are subsidized at lower rates;
- USDA pays at least 50 percent of the premium.
- For more detailed information about the amounts of coverage and premiums, please contact a crop insurance agent.

Loss Example

- Approved revenue = \$5,410
 - Producer selects:
 - 75-percent coverage level
 - Payment factor of 1.0
 - 100-percent share
 - Amount of insurance = \$4,058 / acre
- $\$5,410 / \text{acre} * .75 * 1.00 * 1.00$
- Producer markets 3,200 lbs of fresh cherries per acre and receives \$1.00 per pound net

\$5,410	Approved revenue
X .75	Coverage level
X 1.00	Payment factor
\$4,058	Amount of insurance

3,200	pounds
X \$1.00	per pound net
\$3,200	Revenue to count

\$4,058	Amount of insurance
\$3,200	Revenue to count
\$858	
X 1.0	Payment factor
\$858	Indemnity per acre

Download Copies from the Web

Visit our online publications/fact sheets page at:
http://www.rma.usda.gov/aboutrma/fields/ca_rso/

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or a part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

To file a complaint of discrimination write to: USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.

Regional Contact for RMA

USDA/Risk Management Agency
Davis Regional Office
430 G Street, # 4168
Davis, CA 95616
Telephone: 530-792-5870
Fax: 530-792-5893
E-mail: rsoca@rma.usda.gov

Where to Purchase Crop Insurance

All multi-peril crop insurance, including CAT coverage insurance policies, are available from private insurance agents. A list of crop insurance agents is available on the RMA Web site at: <http://www3.rma.usda.gov/tools/agents/>