



United States Department of Agriculture  
Risk Management Agency

May 2010

## 2010 COMMODITY INSURANCE FACT SHEET

# Crop Revenue Coverage

## California

### Crop Revenue Coverage (CRC)

Provides revenue protection against a yield loss, a price decline, or a combination of both. CRC is available for the crop and counties shown below:

Wheat	Alameda, Amador, Butte, Colusa, Contra Costa, Fresno, Glenn, Imperial, Kern, Kings, Lassen, Los Angeles, Madera, Merced, Modoc, Monterey, Placer, Riverside, Sacramento, San Benito, San Diego, San Joaquin, San Luis Obispo, Santa Barbara, Santa Clara, Shasta, Siskiyou, Solano, Sonoma, Stanislaus, Sutter, Tehama, Tulare, Yolo and Yuba counties.
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Under CRC, the guarantee is in dollars. A loss results if the calculated revenue falls below the final guarantee. Any indemnity will be the difference between these two values times the insured's share of the crop. Additional CRC features include optional units, enterprise units, and quality adjustment.

### Definitions

**Coverage Level:** Level of protection chosen by producer (50 to 85 percent of approved yield)

**Base Price:** Initial price used to calculate the premium and the Minimum Guarantee.

**Minimum Guarantee:** Approved yield times base price times coverage level percentage.

**Harvest Price:** Final price used to determine calculated revenue and harvest guarantee.

**Calculated Revenue:** Production to count (actual production) times the harvest price.

**Harvest Guarantee:** Approved yield times harvest price times coverage level percentage.

**Final Guarantee:** Dollars guaranteed per acre (higher of minimum or harvest guarantee)

### Insurance Period

Coverage begins when insured crop is planted and ends at the earliest of:

- Total destruction of the crop,
- Harvest of the crop,
- Final adjustment of a claim,
- Abandonment of the crop,
- Oct 31

### Causes of Loss

Adverse weather conditions<sup>1</sup>

Failure of irrigation water supply<sup>2</sup>

Fire<sup>4</sup>

Insects<sup>3</sup>

Plant disease<sup>3</sup>

Wildlife<sup>5</sup>

<sup>1</sup>Natural perils such as hail, frost, freeze, wind, drought, and excess moisture.

<sup>2</sup>If caused by an insured peril during the insurance period.

<sup>3</sup>But not damage due to insufficient or improper application of control measures.

<sup>4</sup>Unless weeds and undergrowth are not controlled or unmulched pruning debris is not removed.

<sup>5</sup>Unless wildlife control measures have not been taken.

### Base Price

Wheat            \$5.42

### Harvest Price

Wheat            TBA

TBA = To Be Announced

## Wheat Loss Example

Assume approved yield of 100 bushels per acre, base price \$5.42, harvest price of \$5.00, and 65-percent coverage level, 100-percent share.

100	Bushels per acre CRC approved yield
x .65	Coverage level
65	Bushels per acre guarantee basis
x 5.42	Base price per bushel
\$352.30	Minimum guarantee per acre
- \$250	Calculated Revenue (50 bushels per acre produced X \$5.00 harvest price)
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<b>\$102.30</b>	<b>Gross indemnity per acre</b>

## 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/>

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