

## Davis Regional Office — Davis, CA

Revised March 2014

# Pecans

## California

### Crop Insured

All pecans in a county are insurable if they are grown on trees that have produced at least 600 pounds of pecans in-shell per acre in at least 1 out of the past 4 years. The orchard must be at least one contiguous acre, unless allowed by written agreement.

### Counties Available

Pecans are insurable in Butte, Kern, Tehama, and Tulare counties. Pecans in other counties may be insurable by written agreement if specific criteria are met.

### Causes of Loss

You are protected against the following:

- Adverse weather conditions;
- Decline in market price;
- Failure of irrigation water supply, if caused by an insured peril during the insurance year;
- Fire;
- Insects or plant disease, but not damage due to insufficient or improper application of control measures;
- Volcanic eruption; or
- Wildlife.

### Insurance Period

Pecan insurance coverage is available only in 2-year modules. You must stay in the program for at least 2 consecutive years. You must apply for coverage with a crop insurance agent before January 31 to insure the crop you plan to harvest in both years. Coverage begins on February 1 of each crop year. However, for the year of application, we will inspect all pecan acreage and will notify you of the acceptance or rejection of your application no later than 30 days after the sales closing date.

### Important Dates

Sales Closing/Cancellation.....January 31, 2014  
Acreage/Production Reporting.....March 15, 2014  
Premium Billing.....August 15, 2014  
Termination.....January 31, 2015

### Coverage Levels and Premium Subsidies

The amount of insurance (guarantee) is determined from your sales records. The coverage level and guarantee remain the same for each year in the 2 year insurance module. Indemnity payments are calculated for each year individually. Individual approved average revenue amounts are calculated from 4 to 10 years of production records.

Coverage levels range from 50 to 75 percent of your approved yield. Crop insurance premiums are subsidized as shown in the following table. For example, if you choose the 65-percent coverage level, your premium share would be 41 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 Risk Protection (CAT) coverage is fixed at 50 percent of your approved yield and 55 percent of the price election. CAT is 100-percent subsidized with no premium cost to you. There is, however, an administrative fee of \$300 per crop per county, regardless of the acreage.

## Loss Example

Assume you have chosen a 65-percent coverage level and you have average gross sales of \$1,280. You produced 800 pounds per acre in 2013 with an average price of \$0.75 per pound equaling \$600 per acre.

65	Coverage level
x \$1,280	Average gross sales
<u>    \$832</u>	Amount of insurance per acre
- \$600	Value of production per acre
<u>    \$232</u>	<b>Indemnity per acre</b>

Price used above is for example only. Contact a crop insurance agent for current information.

## Where to Buy Crop Insurance

All multi-peril crop insurance, including CAT policies, are available from private insurance agents. A list of crop insurance agents is available at all USDA service centers and on the RMA website at: [www3.rma.usda.gov/apps/agents/](http://www3.rma.usda.gov/apps/agents/).

## Contact Us

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