



United States Department of Agriculture
Risk Management Agency

October 2011

2012 COMMODITY INSURANCE FACT SHEET

Peaches

Alabama, Georgia, South Carolina

Crop Insured

The crop insured will be all of the peaches (including nectarines) in the county for which a premium rate is provided by the actuarial documents—

- In which you have a share;
- That are grown on tree varieties that:
 - (1) Were commercially available when the trees were set out;
 - (2) Are a variety having a chilling hour requirement appropriate for the area; and
 - (3) Are grown on a rootstock adapted to the area;
- That are grown for the production of fresh or processing peaches;
- That are grown in an orchard that, if inspected, is considered acceptable by us; and
- That are grown on trees that have reached at least the **fourth** growing season after set out.

Note: If the trees have not reached the fourth year, the acreage may still be insurable by written agreement provided the trees have produced at least 100 bushels per acre.

Counties Available

Contact your Insurance Agent for a listing of eligible counties.

Causes of Loss

- Adverse weather conditions
- Earthquake
- Failure of irrigation water supply¹
- Fire²
- Insects³
- Insufficient chilling hours
- Plant disease⁴
- Volcanic eruption
- Wildlife⁵

¹If caused by an insured peril during the insurance period. ²Unless weeds and other forms of undergrowth have not been controlled or pruning debris has not been removed from the orchard. ³But not damage due to insufficient or improper application of pest control measures. ⁴But not damage due to insufficient or improper application of disease control measures. ⁵Unless appropriate control measures have not been taken.

Note: We will not insure against damage or loss of production due to split pits, regardless of cause; or inability to market the peaches for any reason other than actual physical damage from an insurable cause.

Insurance Period

Coverage begins on November 21 of the initial year of application (see your crop insurance agent for limitations on the starting date). For each subsequent renewal year, coverage begins on October 1 following the end of insurance on September 30.

Reporting Requirements

Acreage Report— An acreage report is due to your insurance agent by the acreage reporting date to include all acreage (insurable and uninsurable) in the county in which you have a share.

Notice of 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, and (3) if any production will be direct marketed, you must give 15 days notice before any production from the damaged unit is sold unless you have records that verify that the direct marketed production was weighed and graded through a packing shed. See your insurance agent for additional detailed requirements.

Production Report—Required by the production reporting date designated in section 3 of the basic provisions; the report must include tree information such as numbers, ages, varieties; any change that may adversely impact yield potential (such as, tree removal or change in cultural practices); and any other information as required by the policy.

Important Dates

Sales Closing	November 20
Acreage Reporting	January 15
Premium Billing	August 15
Cancellation/Termination	November 20

Definitions

Approved Yield—The actual production history (APH) yield, calculated and approved by the verifier, used to determine the production guarantee by summing the yearly actual, assigned, adjusted or unadjusted transitional yields and dividing the sum by the number of yields contained in the database. The database will contain a minimum of four yields and a maximum of five yields.

Bushel— Fifty pounds of ungraded peaches

Direct Marketing—The sale of the insured crop directly to consumers without the intervention of an intermediary such as a wholesaler, retailer, packer, processor, shipper, or buyer. Examples of direct marketing include selling through an on-farm or roadside stand, farmer’s market, or permitting the general public to enter the field for the purpose of picking all or a portion of the crop.

Price Election—The value per bushel for the purpose of determining premiums and indemnity under the policy. Price elections are posted on the RMA web site at: <http://webapp.rma.usda.gov/apps/ActuarialInformationBrowser/>.

Production Guarantee— Number of bushels guaranteed per acre determined by multiplying your approved yield by the coverage level percentage you elect.

Coverage Levels and Premium Subsidies

Coverage level options range from 50 to 75 percent of your approved actual production history (APH) yield. As an example, an approved APH yield of 250 bushels per acre results in a production guarantee of 175 bushels per acre at the 70-percent coverage level. Crop insurance premiums are subsidized as shown in the following table. For example, if you select the 70-percent coverage level, your premium share would be 41 percent of the 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. 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

This example is based on one acre of peaches in Macon County, Georgia with a 65-percent coverage level, 100-percent fresh price election, 100-percent share, an approved APH yield of 300 bushels per acre, and production to count of 50 bushels due to an insurable cause of loss.

300	Bushels per acre approved APH yield
x .65	Coverage level percentage
195	Bushels per acre guarantee
- 50	Bushels per acre production
145	Bushels per acre loss
x 16.25	Price election (fresh)
\$ 2,356	Indemnity per acre

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