



United States Department of Agriculture
Risk Management Agency

January 2013

2013 COMMODITY INSURANCE FACT SHEET

Onions

Michigan

What crop is insurable?

You can insure storage (dry) onions:

- grown in the county on insurable acreage,
- for which premium rates are provided,
- in which you have a share, and
- intended for harvest.

When am I protected by insurance?

Coverage begins on the later of:

- the date your application is accepted, or
- the date you plant the onions.

Coverage ends at the earliest of:

- total destruction of the crop,
- harvest of the crop,
- 14 days after lifting or digging,
- final adjustment of a loss,
- abandonment of the crop, or
- October 15.

What am I protected against?

You are protected against the following:

- Adverse weather
- Failure of irrigation water supply
- Fire
- Insect damage and/or plant disease*
- Wildlife

*Unless you have insufficiently or improperly applied pest or disease control measures.

What dates should I be aware of?

Sales ClosingFebruary 1
 Final Planting.....May 15
 Acreage Reporting.....July 15
 Cancellation.....February 1

What am I required to report?

You must report all of your onion acreage, production and any losses, when evident, to your insurance agent.

How much of my premium is subsidized?

Crop insurance premiums are subsidized as shown in the following table. For example, if you choose the 75-percent coverage level, the premium subsidy is 55 percent and your premium share is 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 Share | 33 | 36 | 36 | 41 | 41 | 45 |

Definitions

Approved APH Yield: An approved actual production history (APH) yield is based on your actual yields or the county's transitional yield (T-yield) and is used to determine the guarantee.

Catastrophic Coverage (CAT): Pays 50 percent of your average yield and 55 percent of the established price. You pay a \$300 administrative fee per crop per county.

Final Stage Production Guarantee (per acre): Number of hundredweight (cwt.) guaranteed per acre, determined by multiplying your approved APH yield per acre by the coverage level percentage you choose.

What price will I get if I have a loss?

Price Election: The price you are paid per hundredweight in the event of a loss, based on the percentage of established price you have chosen. You can choose price election percentages between 55 percent and 100 percent of the price shown below.

Onions.....\$10.75

How can I insure my acreage?

Basic Unit: Includes all of your insurable onion acreage in the county by share arrangement. Premiums are reduced 10 percent for a basic unit.

Optional Unit: If a basic unit consists of two or more sections of land, and you meet record keeping requirements, you may apply for optional units by section or by type. The 10-percent premium discount will not apply.

What if I am unable to plant or need to replant?

Replant Provisions

You may receive a replant payment if:

- it is practical to replant on a unit;
- the appraisal does not exceed 90 percent of your final stage production guarantee; and
- you replant at least 20 acres or 20 percent of the unit.

Your replant payment will be the lesser of:

- your actual cost for replanting,
- 7 percent of the final stage production guarantee multiplied by your price election and by your share; or
- 18 cwt. multiplied by your price election and by your share.

Replant payments are **not available** with CAT coverage.

Late Planting Period: If you choose to plant after the final planting date, the insurance guarantee is reduced by one percent for each day after the final planting date. After 25 days, the guarantee is 35 percent of your final stage production guarantee.

Prevented Planting: You may receive a prevented planting payment if you are unable to plant on or before the final planting date because of an insurable cause. Prevented planting payments are 35 percent of your final stage production guarantee for timely planted acreage.

Loss Example

A loss occurs when the crop value falls below the guaranteed cwt. amount. Assume the 65-percent coverage level, a price election of \$10.75, an approved APH yield of 300 cwt. per acre with 0.667 share, and production-to-count of 16,500 cwt.

| | |
|-----------------|---------------------------------------|
| 300 | cwt. approved APH |
| x .65 | Coverage level |
| 195 | cwt. per acre final stage guarantee |
| x 100 | Acres |
| 19,500 | cwt. unit final stage guarantee |
| - 16,500 | cwt. production to count |
| 3,000 | cwt. loss |
| x \$10.75 | Price election |
| \$32,250 | Unit indemnity |
| x .667 | Share |
| \$21,511 | Final Indemnity (Loss payment) |

Where can I get a policy?

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 web site at: <http://www3.rma.usda.gov/apps/agents/>

Regional Contact

USDA/Risk Management Agency

Springfield Regional Office
3500 Wabash Avenue
Springfield, IL 62711-8287
Telephone: (217) 241-6600
Fax: (217) 241-6618
E-mail: rsoil@rma.usda.gov

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