



United States Department of Agriculture  
Risk Management Agency

January 2011

## 2011 COMMODITY INSURANCE FACT SHEET

# Onions

## Colorado

### Crop Insured

The crop insured will be irrigated onions planted for harvest as storage (dry) onions and non-storage onions excluding green (bunch) or seed onions, chives, garlic, leeks, and scallions.

Onions may not be insured if it is interplanted with another crop or planted into an established grass or legume.

Onions shall not be insurable on ground planted to dry (bulb) onions, green (bunch) onions, seed onions, chives, garlic, leek, or scallions in either of the previous two crop years unless the ground is properly fumigated.

### Counties Available

Onions are insurable in the following Colorado Counties: Adams, Boulder, Delta, Mesa, Montrose, Morgan, Otero, Prowers, Pueblo, and Weld.

Coverage in other counties may also be available by individual written agreement if certain criteria are met, including records for at least three years of production history.

### Causes of Loss

- Adverse weather conditions<sup>1</sup>
- Earthquake
- Failure of irrigation water supply<sup>2</sup>
- Fire<sup>3</sup>
- Insects<sup>4</sup>
- Plant disease<sup>4</sup>
- Volcanic eruption
- Wildlife

<sup>1</sup>Such as hail, freeze, excess wind, excess rain, drought, and tornado.

<sup>2</sup>If caused by an insured cause of loss within the insurance period.

<sup>3</sup>If due to natural causes.

<sup>4</sup>But not damage due to insufficient or improper application of pest or disease control measures.

### Insurance Period

Coverage begins on each unit or part of a unit when the onions are planted and ends at the earliest of: (1) total destruction of the onions on the unit; (2) fourteen days after lifting or digging of the onions; (3) removal of the onions from the field; (4) final adjustment of a loss on a unit; or (5) October 15, 2011 for all storage onions (6) August 31, 2011 for all non-storage onions.

### Reporting Requirements

Acreage Report — A report of all your onion acreage in the county is due to your crop insurance agent by the Acreage Reporting Date.

### Important Dates

Sales Closing .....	February 1, 2011
Final Planting Date .....	May 1, 2011
Acreage Report Date .....	June 15, 2011
Premium Billing Date .....	July 1, 2011
End of Insurance <sup>1</sup> .....	August 31, 2011
End of Insurance <sup>2</sup> .....	October 15, 2011

<sup>1</sup>For all non-storage onions.

<sup>2</sup>For all storage onions.

### Onion Stage Definitions

**First stage:** (a) For direct seeded storage and non-storage onions, from planting until the emergence of the fourth leaf; and (b) for transplanted storage and non-storage onions, from transplanting of onion plants or sets through the 30th day after transplanting.

**Second stage:** (a) For direct seeded storage and non-storage onions, from the emergence of the fourth leaf; and (b) for transplanted storage and non-storage onions, from the 31st day after transplanting.

**Final stage:** Final stage extends from the completion of topping and lifting or digging on the acreage until the end of the insurance period, and is the quantity of onions (in hundredweight) determined by multiplying the approved yield per acre by the coverage level percentage elected.

## Coverage Levels and Premium Subsidies

The onion policy guarantees a certain amount of production, depending on the level of coverage selected. Crop insurance premiums are subsidized as shown below. For example, if you select the 75-percent coverage level, the premium subsidy is 55 percent and your premium share is 45 percent of the base premium.

Subsidy Factor	Percent						
	CAT	0.50	0.55	0.60	0.65	0.70	0.75
Coverage Level							
Basic Unit	1.000	0.67	0.64	0.64	0.59	0.59	0.55
Optional Unit		0.67	0.64	0.64	0.59	0.59	0.55

## Catastrophic Coverage

Catastrophic coverage (CAT) is available at 50 percent of your APH yield and 55 percent of the established price election. The total cost for CAT coverage will be an administrative fee of \$300 per crop per county, regardless of the acreage. Administrative fees, in addition to premium costs, for coverage levels above CAT are \$30 per crop per county.

## Price Elections

Price at which you are compensated per cwt in the event of a loss, based on the percentage of established price you have selected. Price election percentage choices for this crop year are 55 percent to 100 percent of the prices shown below:

### Established Price:

Red Onions \$15.25 per cwt

Whites Onions \$12.75 per cwt

Yellow Onions \$7.25 per cwt

## Insurance Units

**Basic Unit:** A 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 certain record keeping requirements are met, you may apply for optional units by section and by type. The 10-percent premium discount will not apply.

## Replant Provisions

A replanting payment is allowed if the crop is damaged by an insurable cause of loss to the extent that our appraisal does not exceed 90 percent of your final stage guarantee, and we determine it is practical to replant. The replanting payment will be the lesser of 7 percent of the final stage production guarantee or

18 cwt multiplied by your price election, multiplied by your share. Replant payments are **not available** on the Catastrophic Risk Protection Endorsement.

## Late and Prevented Planting

These provisions provide protection on acreage that is planted after the final planting date or that cannot be planted due to an insurable cause of loss.

Your prevented planting coverage will be 45 percent of your production guarantee for timely planted acreage. Please consult a crop insurance agent for details.

## Harvested Final Stage Loss Example

A loss occurs when the crop production falls below the guaranteed cwt amount as a result of damage from a covered cause of loss. This example assumes a final stage loss at the 65 percent coverage level, a 100-percent price election of \$7.25, and an average APH yield of 300 cwt per acre with .500 share. (APH yield x coverage level x unit acres - production x price election x share)

300	cwt APH yield
<u>x .65</u>	coverage level
195	cwt per acre guarantee
<u>x 100</u>	acres
19,500	cwt unit guarantee
<u>- 16,500</u>	cwt production
3,000	cwt loss
<u>x \$7.25</u>	price election
\$21,750	unit indemnity
<u>x .500</u>	share
<b>\$10,875.00</b>	<b>Final indemnity</b>

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