



United States Department of Agriculture  
Risk Management Agency

October 2012

## 2013 COMMODITY INSURANCE FACT SHEET

# Pears

## Pennsylvania

### Crop Insured

All pears in a county are insurable if:

- 1) A premium rate is provided by the actuarial document;
- 2) Any variety of pears that is adapted to the area; and
- 3) Have produced at least 3 tons of pears per acre in at least one of the previous four years.

### Counties Available

Pears are insurable in Adams County. Pears may be insurable in other counties by written agreement if specific criteria are met. Contact an insurance agent for more details.

### Causes of Loss

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

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

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

<sup>3</sup>Except for insufficient or improper application of control measures.

Note: Policy does not cover loss of income due to market fluctuations.

### Insurance Period

Coverage begins on \*November 21 and ends the earliest of:

- 1) Total destruction of the crop;
- 2) Harvest of the crop;
- 3) Final adjustment of a claim;
- 4) Abandonment of the orchard; or
- 5) September 15 for Bartlett pears (green and red) and October 15 for Bosc, Anjou and all other pears.

\* If your initial application is received between November 11 and 21, insurance will attach the 10<sup>th</sup> day following submission of the properly completed application, unless an orchard inspection reveals that the orchard does not meet insurability requirements.

### Reporting Requirements

**Acreage Report:** An acreage report is due to your agent by the date shown under Important Dates and must include all acreage (insurable and uninsurable) in which you have a share.

**Direct Marketing:** You must give at least 15 days notice before any production is sold by direct marketing so that an appraisal can be made.

### Duties in the Event of Damage or Loss

- 1) If crop damage occurs, you must give notice within 72 hours of initial discovery of damage;
- 2) If you previously gave notice of crop damage, you must also provide notice at least 15 days before the beginning of harvest if you intend to claim an indemnity; or
- 3) If the crop will not be harvested, you must give notice at least 3 days before the date harvest should have started.

### Important Dates

|                             |                   |
|-----------------------------|-------------------|
| Sales Closing .....         | November 20, 2012 |
| Production Report Due ..... | January 15, 2013  |
| Acreage Report Due .....    | January 15, 2013  |
| Premium Billing .....       | August 15, 2013   |

### Definitions

**Non-contiguous:** Acreage of the insured crop that is separated from other acreage of the same insured crop by land that you neither own nor rent for cash or a crop share. However, acreage separated by only a public or private right-of-way, waterway, or an irrigation canal will be considered contiguous.

## Coverage Levels and Premium Subsidies

Coverage levels range from 50 to 75 percent of your average yield and are subsidized as shown below. For example, an average actual production history (APH) yield of 5 tons per acre would result in a guarantee of 3 tons per acre at the 60-percent coverage level.

| Item               | Percent |    |    |    |    |    |
|--------------------|---------|----|----|----|----|----|
|                    | 50      | 55 | 60 | 65 | 70 | 75 |
| 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 average yield and 55 percent of the price election. The cost for CAT coverage is an administrative fee of \$300, regardless of the acreage.

## Price Elections

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|                         |               |
|-------------------------|---------------|
| Established Price ..... | \$630 per ton |
| CAT Price .....         | \$346.50      |

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## Insurance Units

Insurable acreage is grouped into one or more units based on your selection of one of the following:

**Basic Unit:** A basic insurance unit includes all your insurable pear acreage in the county in which you have 100-percent share or which is owned by one person and operated by another person on shares.

**Optional Units:** If your policy is not a CAT policy and you meet other specific requirements, such as separate records for each proposed unit, you may apply for separate optional units established by:

- 1) Non-contiguous land (see definitions); or
- 2) Varietal group.

## Loss Example

Assume pears with an approved yield of 5 tons per acre, 65-percent coverage level, 100-percent share, and a one-acre basic unit.

|                |                         |
|----------------|-------------------------|
| 5              | Approved Yield per acre |
| x .65          | Coverage level          |
| 3.3            | Acre guarantee          |
| - 1.3          | Production-to-Count     |
| 2              | Loss per acre           |
| x \$595        | Price election          |
| \$1,190        | Indemnity per acre      |
| - \$108        | Estimated Premium       |
| <b>\$1,082</b> | <b>Indemnity/Acre</b>   |

## Regional Contact

### USDA/Risk Management Agency

Raleigh Regional Office  
 4405 Bland Road, Suite 160  
 Raleigh, NC 27609  
 Telephone: (919) 875-4880  
 Fax: (919) 875-4915  
 E-mail: [rsonc@rma.usda.gov](mailto:rsonc@rma.usda.gov)

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