

# Pecan Revenue Insurance

## Crop Insured

Pecans are insurable in Alabama, Arizona, California, Florida, Georgia, Mississippi, New Mexico, Oklahoma, and Texas.

For pecan acreage to be insured, the trees must be grown in an orchard that is a minimum of 1 contiguous acre. Insurable trees must have produced a minimum of 600 pounds of in-shell pecans per acre in at least 1 of the previous 4 crop years, except that some states may allow a lower minimum production amount through the Special Provisions. You must insure all the pecan acreage (in which you have a share) in the county where your pecans are grown for harvest. If pecan revenue insurance is not available in your county or your acreage does not meet the minimum insurability requirements, you may be able to get insurance through a written agreement.

## Causes of Loss

You are protected against the following:

- Adverse weather conditions from natural perils such as hail, frost, freeze, wind, drought, and excess moisture;
- Decline in market price;
- Failure of irrigation water supply, if caused by an insured peril during the insurance period;
- Fire, unless weeds and undergrowth are not controlled or unmulched pruning debris is not removed from the orchard;
- Insects, but not damage due to insufficient or improper application of pest control measures;
- Plant disease, but not damage due to insufficient or improper application of disease control measures;
- Wildlife;
- Earthquake; or
- Volcanic eruption.

## Insurance Period

Pecan insurance coverage is available only in two-year coverage modules. As long as you have an insurable interest in the orchard, you must stay in the program for at least two consecutive years. You must apply for coverage with a crop insurance agent on or before January 31 to insure the crop you plan to harvest in both years. Coverage begins on February 1 of each crop year. In the year that you apply, we will inspect all your pecan acreage and will notify you if we accept or do not accept your application no later than 30 days after the sales closing date.

All policies automatically renew after the end of each two-year coverage module unless you notify your crop insurance agent in writing that you want to cancel coverage by the January 31 cancellation date.

## Important Dates

Sales Closing/Cancellation ..... January 31  
Acreage Report Due ..... March 15

## Insurance Guarantees, Coverage Levels and Premium Subsidies

The coverage level, premium rate, and insurance amount (guarantee) remain the same for each year in the two-year coverage module. The guarantee is based on your approved average revenue per acre. Your approved average revenue per acre is determined from your average gross sales of pecans per acre for the most recent four to six years. If you do not have production records for at least four years, you will be assigned a transitional revenue yield (T-Revenue). Indemnity payments are calculated for each year individually.

You can choose a coverage level from 50 to 85 percent of your approved average revenue, or Catastrophic Risk Protection (CAT) coverage based on 27.5 percent of your approved average revenue.

For CAT coverage, you pay an administrative fee of \$655 and 100 percent of the premium is subsidized. Higher coverage levels are subsidized at lower rates and USDA pays at least 38 percent of the premium. Premium and administrative fees are due annually for each year of the two-year coverage module.

## Unit Division

**Basic Units** - Include all your insurable pecan acreage in the county by share arrangement. Premiums are reduced for a basic unit.

**Enterprise Units** - Generally, include all insured crop acreage in a county. Premium discounts apply. To qualify for an enterprise unit, you are required to have at least two parcels of non-contiguous land and at least two of the parcels must contain at least the lesser of 20 acres or 20 percent of the insured crop acreage in the enterprise unit.

**Optional Units** - If a basic unit consists of two or more parcels of non-contiguous land, you provide separate production records for at least the most recent consecutive two crop years, and you meet record keeping requirements, you may apply for optional units. Optional units must be chosen and identified on the acreage report by the acreage reporting date of the first year of the two-year coverage module. Premium discounts will not apply.

## Exclusions

Certain pecan varieties may be excluded from coverage through the Special Provisions. Direct-marketed pecans and pecans grown on trees that have been hedged are not insurable unless allowed by the Special Provisions or written agreement.

# Prices

Revenue-to-count is determined using the price you receive for your pecans. However, if the price you received is not verifiable by sales receipts or you directly marketed your pecans, the market price will be used.


# Loss Example


Assume you have chosen a 65 percent coverage level and you have average approved revenue of \$1,280. Due to an insured cause of loss, you only produced 800 pounds per acre in the 2022 crop year with an average price of \$0.75 per pound equaling \$600 per acre.


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

# Buying Pecan Revenue Insurance

All multi-peril crop insurance, including CAT policies, are available from private crop insurance agents. A list of crop insurance agents is available at all USDA Service Centers and on the RMA website at [Agent Locator](#).

 National Office

 USDA/RMA/Stop 0801/Room 2004-South  
1400 Independence Ave. SW  
Washington, DC 20250

 Email: [FPAC.BC.Press@usda.gov](mailto:FPAC.BC.Press@usda.gov)

*This fact sheet gives only a general overview of the crop insurance program and is not a complete policy. For further information and an evaluation of your risk management needs, contact a crop insurance agent*

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