USDA RMA

United States Department of Agriculture
Risk Management Agency

May 2010 2010 COMMODITY INSURANCE FACT SHEET

# Fresh Freestone Peaches

## Utah

## Crop Insured

- All acreage of fresh freestone peaches
- Must produce at least 200 lugs per acre (22 pounds per lug) in at least one of the last three years; and
- Must have reached at least the fifth growing season after set out; or
- If the orchard doesn't meet these criteria then the company can inspect and agree in writing to insure.

## Counties Available

Utah county.

Fresh freestone peaches in other counties may be insurable by written agreement if specific criteria are met.

## Causes of Loss

Adverse weather conditions[1]
Failure of irrigation water supply[2]
Fire[3]
Insects[4]
Plant disease[3]
Wildlife[5]

[1]Natural perils such as hail, frost, freeze, wind, drought, and excess moisture.
[2]If caused by an insured peril during the insurance period.
[3]Unless weeds and undergrowth are not controlled or unmulched pruning debris is not removed.
[4]But not damage due to insufficient or improper application of control measures.
[5]Unless wildlife control measures have not been taken.

## Insurance Period

Coverage begins for each crop year on November 21. The calendar date for the end of the insurance period for each crop year is September 30.

## Important Dates

Sales Closing ....................................... November 20
Acreage Report Due ................................ January 15

## Coverage Levels and Premium Subsidies

Coverage is:

- Measured in lugs of fresh fruit.
- Based on a grower's production history.

Growers selects:

- a coverage level ranging from 50 to 75 percent of their approved average yields and
- 55 to 100 percent of a price announced by USDA, or
- catastrophic risk protection (CAT) based on 50 percent of their approved yield and 55 percent of the price.

**Price Election** Price used to calculate your premium and indemnity: **$5.80 per lug**

## Cost of Crop Insurance

CAT coverage:

- Pay an application fee of $300
- 100 percent of the premiums subsidized.

Higher coverage levels

- Pay an application fee of $30 and
- Premiums are subsidized at lower rates

For more detailed information about the amounts of coverage and premiums, please contact a crop insurance agent.
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## Loss Example

A claim can be filed whenever production falls short of the guarantee selected by the insured. The amount of a loss is determined by multiplying the production shortfall by the preselected price.

Based on average yield of 230 lugs per acre, 65-percent coverage level and one basic unit, 100-percent share

| | |
|---|---|
| 230 | Lugs per acre average yield (APH) |
| x .65 | Coverage level percentage |
| 150 | Lugs per acre guarantee |
| - 100 | Lugs per acre actually produced |
| 50 | Lugs per acre loss |
| x $5.80 | Price election |
| **$290** | **Gross indemnity per acre** |

## Where to Purchase Crop Insurance

All multi-peril crop insurance, including CAT coverage insurance policies, are available from private insurance agents. A list of crop insurance agents is available on the RMA Web site at: http://www3.rma.usda.gov/tools/agents/

## Download Copies from the Web

Visit our online publications/fact sheets page at: http://www.rma.usda.gov/aboutrma/fields/ca_rso/



## Regional Contact for RMA

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