



United States Department of Agriculture  
Risk Management Agency

April 2008

## 2008 COMMODITY INSURANCE FACT SHEET

# Onions

## Nevada

### Crop Insured

The crop insured will be all the storage and non-storage onions (excluding green (bunch) or seed onions, chives, garlic, leeks, and scallions) in the county for which you have a share:

- Onions must not be planted on acreage which was planted to dry (bulb) onions, green (bunch) onions, seed onions, chives, garlic, leek or scallions the previous crop year unless otherwise designated by the corporation.

### Counties Available

Onions are available for insurance in the following counties: Humboldt, Lyon and Washoe counties. Crop may be insurable in other counties by written agreement if specific criteria are met. Contact an agent for more details.

### Causes of Loss

Adverse weather conditions<sup>1</sup>  
 Failure of irrigation water supply<sup>2</sup>  
 Fire<sup>3</sup>  
 Insects<sup>4</sup>  
 Plant disease<sup>4</sup>  
 Wildlife<sup>5</sup>

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

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

<sup>3</sup>Unless weeds and undergrowth are not controlled or unmulched pruning debris is not removed.

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

<sup>5</sup>Unless wildlife control measures have not been taken.

### Insurance Period

The insurance period ends the earliest of:

- Removal of the onions from the field
- Fourteen days after lifting or digging
- August 31 for all non-storage onions
- October 15 for all storage onions

### Important Dates

Sales Closing .....February 1  
 Final Planting .....April 20  
 Acreage Report Due .....June 30

### Coverage Levels and Premium Subsidies

Individual amount of insurance are based on the grower's past production history. Prospective insured are asked to provide 4 to 10 years of actual yield history, for which their average yield is calculated. In the absence of four years of actual yield history, the average yield is calculated using a combination of actual and transitional yields (estimate of county average). Producers can select a coverage level ranging from 50 to 75 percent of their individual approved yield and 55 to 100 percent of the price announced by USDA. **Catastrophic Risk Protection (CAT)** coverage is equal to 50 percent of their approved average yield and 55 percent of their price. The unit of measure used is hundredweight (cwt).

**Price Election** Price used to calculate your liability and indemnity. **\$5.40 per cwt**

### Cost of Crop Insurance

The Agricultural Risk Protection Act of 2000 raised the subsidies for federal crop insurance premiums substantially. For CAT coverage, growers pay an application fee of \$100 with 100 percent of the premiums being subsidized. Higher coverage levels pay an application fee of \$30 and premiums are subsidized at lower rates; USDA pays at least 50 percent of the premium. For more detailed information about the amounts of coverage and premiums, please contact a crop insurance agent or your local county Farm Service Agency office for an agent listing.

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## Loss Example

Example assumes 75-percent coverage, and 100-percent price election of \$5.40 cwt and an approved yield of 320 cwt per acre and 100-percent share.

320	Cwt. per acre average yield (APH)
<u>x .75</u>	Coverage level
240	Cwt. per acre guarantee
<u>- 100</u>	Cwt. per acre actually produced
140	Cwt. per acre loss
<u>x \$ 5.40</u>	**Price election
<b>\$ 756</b>	<b>Gross indemnity per acre</b>

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## 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/>

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## Regional Contact for RMA

USDA/Risk Management Agency  
Davis Regional Office  
430 G Street, # 4168  
Davis, CA 95616  
Telephone: 530-792-5870  
Fax: 530-792-5893  
E-mail: [rsoca@rma.usda.gov](mailto:rsoca@rma.usda.gov)