



United States Department of Agriculture  
Risk Management Agency

September 2007

## 2008 COMMODITY INSURANCE FACT SHEET

# Onions

## Texas

### Crop Insured

The crop insured will be all non-storage or storage type onions grown within the listed counties for which a premium rate is provided on the actuarial table:

- in which you have a share;
- that are planted for harvest as storage or non-storage type onions;
- that are not\* interplanted with another crop, unless the crop is a windbreak crop and the windbreak crop is destroyed within 70 days after completion of seeding or transplanting,; or
- that are not\* planted into an established grass or legume.

\*Unless allowed by the special provisions or by written agreement (see your insurance agent).

### Counties Available

Cameron	Dimmitt	Hidalgo
Kleberg	Maverick	Starr
Uvalde	Webb	Willacy
Zapata	Zavala	

### Causes of Loss

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

<sup>1</sup>If caused by an insured peril during the insurance period. <sup>2</sup>But not damage due to insufficient or improper application of pest control measures. <sup>3</sup>But not damage due to insufficient or improper application of disease control measures. <sup>4</sup>Unless control measures have not been taken.

### Insurance Period

Insurance attaches when the crop is planted on or before the final planting date and ends the earlier of:

- total destruction of the onion crop,
- removal of the onions from the field,
- fourteen days after lifting or digging,
- final adjustment of a loss,
- abandonment of the crop, or
- July 15 of the crop year.

### Reporting Requirements

**Acreage Report**—An acreage report is due to your insurance agent by the acreage reporting date to include all acreage (insurable and uninsurable) in the county in which you have a share.

**Notice of Loss**— (1) Protect the crop from further damage by providing sufficient care; (2) notify your agent within 72 hours of your initial discovery of damage (but not later than 15 days after the end of the insurance period); (3) notify your agent at least 15 days before any production from any unit will be sold by direct marketing; and (4) leave representative samples intact for each field of the damaged unit.

### Important Dates

Sales Closing.....August 31  
 Final Planting and Acreage Reporting—Dates vary by county; consult the county actuarial.  
 Premium Billing .....July 1  
 Final Planting Date for transplanted onions—Consult the county actuarial.

### Definitions

#### Production Guarantee—

- First stage of production guarantee—35 percent of the final stage production guarantee for direct seeded storage and non-storage onions and 45 percent of the final stage production guarantee for transplanted storage and non-storage onions, unless otherwise specified in the special provisions (see your insurance agent).

- Second stage of production guarantee—70 percent of the final stage production guarantee for direct seeded storage onions and 60-percent of the final stage production guarantee for transplanted storage onions and all non-storage onions, unless otherwise specified in the special provisions (see your insurance agent).
- Final stage of production guarantee—the quantity of onions (in hundredweight) determined by multiplying the approved yield per acre by the coverage level percentage elected.

**Final stage**—The period extending from the completion of lifting the onions, hand clipping the tops and excessive roots and placing the onions in a bag or container that is acceptable for field drying or curing until the end of the policy.

### Price Elections

Price elections will be posted on the RMA Web site at: <http://www3.rma.usda.gov/apps/pricesinquiry/>

Type	Price Election
Reds	\$23.00
Whites	\$20.20
Yellows	\$15.30

### Coverage Levels and Premium Subsidies

Coverage level options range from 50 to 75 percent of your average yield. For example, an average yield of 165 cwt per acre would result in a guarantee of 107.25 cwt per acre at the 65-percent coverage level. Crop insurance premiums are subsidized as shown in the following table. For example, if you select the 65-percent coverage level, your premium share would be 41 percent of the base premium:

Catastrophic (CAT) coverage is fixed at 50 percent of average yield and 55 percent of the price election. CAT is 100 percent subsidized with no premium cost to you. There is, however, an administrative fee of \$100 per county, regardless of the acreage.

Item	Percent					
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

### Replant Provisions

**(Not available under catastrophic coverage)**

A replanting payment is allowed if the crop is damaged by an insurable cause to the extent that the remaining stand will not produce at least 90-percent of your final stage production guarantee for the acreage and it is practical to replant.

### Loss Example

This example is based on 65-percent coverage level, 100-percent price election, and average yield of 165 hundredweight (cwt) per acre.

$$\begin{array}{r}
 165 \text{ cwt per acre average yield} \\
 \times .65 \text{ coverage level} \\
 \hline
 107.25 \text{ cwt per acre guarantee} \\
 - 50.00 \text{ cwt per acre produced} \\
 \hline
 57.25 \text{ cwt per acre loss} \\
 \times \$15.30 \text{ price election} \\
 \hline
 \mathbf{\$875.93 \text{ Indemnity per acre}}
 \end{array}$$

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