



United States Department of Agriculture  
Risk Management Agency

March 2007

## 2007 COMMODITY INSURANCE FACT SHEET

# Almonds

## California

### Crop Insured

All almonds in the county can be insured if grown in an orchard where at least 90 percent of the trees have reached their seventh growing season after being set out. Acreage that does not meet the requirement may be considered after an insurance provider inspects such acreage and gives approval to insure the crop. Growers must insure all their almonds in a county at the same coverage level. Orchards may be insured as a separate unit if located on noncontiguous land.

### Counties Available

Almonds are insurable in Butte, Colusa, Fresno, Glenn, Kern, Kings, Madera, Merced, San Joaquin, Solano, Stanislaus, Sutter, Tehama, Tulare, Yolo and Yuba counties. Almonds in other counties may be insurable 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

Coverage begins on January 1st for the first year of insurance and ends no later than November 30 of the same year. The insurance period can end earlier when:

- Total destruction of the crop;
- Harvest of the crop;
- Abandonment of the crop;
- Final adjustment of a loss.

### Important Dates

Sales Closing.....December 31  
Acreage Report Due.....January 31

### Coverage Levels and Premium Subsidies

The production guarantee of almonds meats are measured in pounds. The weight of almonds sold in-shell are converted to meat pounds using sample shelling percentages when available or USDA shell-out factors. Individual approved average yields are calculated from 4-10 years of production records provided by prospective insureds to their insurance agents. Growers can select a coverage level from 50 to 75 percent of their approved average yield and 55 to 100 percent of a price announced by USDA, or catastrophic (CAT) coverage based on 50 percent of their approved yield and 55 percent of the price.

**Price Election**— The price used to calculate your premium and indemnity:

**\$1.70 per pound**

### 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 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 FSA office for an agent listing.

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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 pre-selected price.

2400	Pounds per acre average yield (APH)
<u>x .65</u>	Coverage level percentage
1560	Pounds per acre guarantee
<u>- 400</u>	Pounds per acre actually produced
1160	Pounds per acre loss
<u>x \$1.70</u>	Price election **
<b>\$ 1972</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)