



United States Department of Agriculture
Risk Management Agency

March 2007

2007 COMMODITY INSURANCE FACT SHEET

Cherries

California

Crop Insured

All varieties of fresh sweet cherries that are adapted to the area and being grown in the counties listed below can be insured. Growers must insure all of their cherry acreage in the county at the same coverage level. In order to be insured, orchards must be irrigated and have produced at least 2,300 pounds of cherries per acre in one of the three previous crop years. No minimum tree age is required.

Counties Available

Cherries are insurable in San Joaquin and Stanislaus counties.

Causes of Loss

Adverse weather conditions¹
Failure of irrigation water supply²
Fire³
Insects⁴
Plant disease⁴
Wildlife⁵

¹Natural perils such as hail, frost, freeze, wind, drought, and excess moisture.

²If caused by an insured peril during the insurance period.

³Unless weeds and undergrowth are not controlled or unmulched pruning debris is not removed.

⁴But not damage due to insufficient or improper application of control measures.

⁵Unless wildlife control measures have not been taken.

Insurance Period

Coverage begins February 1st (except for the year of application) and ends in the calendar year in which cherries are normally harvested or by July 31st. In subsequent crop years cherries are insured without a break in continuity, where coverage begins August 1st.

Important Dates

Sales ClosingJanuary 31
Acreage Report DueJanuary 31

Coverage Levels and Premium Subsidies

Producers can select the level of their guaranteed revenue per acre from among seven fixed-dollar amounts of insurance offered in each county. The coverage levels range from 50 to 75 percent in five percent increments. The catastrophic (CAT) risk coverage is the minimum amount of coverage that can be obtained.

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, per county with 100 percent of the premiums being subsidized. Higher coverage levels are subsidized at lower rates, where 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.

Loss Example

You have 100 percent share in 10 acres of cherries with an amount of insurance of \$1,911 per acre. The total value of your production to use will be used to determine the count is \$5,000. Your indemnity will be calculated as follows:

- 10 acres X \$1,911 = \$19,110 amount of insurance;
 - \$19,110 amount of insurance - \$5,000 production value = \$14,110 loss; and
 - \$14,110 X 100 percent share = \$14,110 indemnity payment.
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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/>

Download Copies from the Web

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

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