United States Department of Agriculture
Risk Management Agency

January 2007

2007 COMMODITY INSURANCE FACT SHEET

Stonefruit

California

Crop Insured

Six types of stone fruit, designated by their intended use, are insurable: fresh and processing apricots, fresh and processing freestone peaches, fresh nectarines, and cling peaches for processing. Growers must insure all their acreage of a particular type of stone fruit in a county. However, since each type is insured separately, one type can be insured and not another.

Counties Available

Stonefruits are insurable in Butte, Contra Costa, Fresno, Kern, Kings, Madera, Merced, San Benito, San Joaquin, Santa Clara, Solano, Stanislaus, Sutter, Tulare, Yolo and Yuba counties. Stonefruit 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[4]
Insects[3]
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]But not damage due to insufficient or improper application of control measures.
[4]Unless weeds and undergrowth are not controlled or unmulched pruning debris is not removed.
[5]Unless wildlife control measures have not been taken.

Insurance Period

Coverage begins for each crop year on February 1. The calendar date for the end of the insurance period for all apricots is July 31 and September 30 for all nectarines and peaches.

Important Dates

Sales Closing .... January 31
Acreage Report Due .... March 1

Coverage Levels and Premium Subsidies

The guarantee is production, measured in lugs of fresh fruit and tons of processing fruit. Individual amounts of insurance are based on a grower's production history. An insurance agent calculates each grower's approved-average yield from 4-10 years of production records. Producers can select a level of coverage ranging from 50 to 75 percent of their approved average yield and 55 to 100 percent of a price announced by USDA. Catastrophic (CAT) risk coverage based on 50 percent of their approved yield and 55 percent of the price.

Price Election Price used to calculate your premium and indemnity.

Fresh Apricots .... $5.80 per lug
Processing Apricots .... $170 per ton
Fresh Nectarines .... $3.90 per lug
Cling Peaches
Extra Early .... $206 per ton
Non-Extra Early .... $181 per ton
Fresh Freestone Peaches .... $3.30 per lug
Processing Freestone .... $134 per ton

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. A listing of crop insurance agents is available at your local Farm Service Agency Office.

This fact sheet gives only a general overview of the crop insurance program and is not a complete policy. For further information and an evaluation of your risk management needs, contact a crop insurance agent.

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.

Based on average yield of 400 lugs per acre, 65-percent coverage level and one basic unit, 100-percent share.

400	Lugs per acre average yield (APH)
x .65	Coverage level percentage
260	Lugs per acre guarantee
- 200	Lugs per acre actually produced
60	Lugs per acre loss
x $3.90	Price election
$234.00	**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

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http://www.rma.usda.gov/aboutrma/fields/ca_rso/

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