United States Department of Agriculture
Risk Management Agency

March 2007

2007 COMMODITY INSURANCE FACT SHEET

# Fresh Freestone Peaches

## Utah

### Crop Insured

Growers must insure all their acreage of fresh freestone peaches in a county. The acreage must produce at least 200 lugs per acre (22 pounds per lug) in at least one of the last three years. The orchard must have reached at least the fifth growing season after set out. If the orchard doesn't meet these criteria then the company can inspect and agree in writing to insure.

### Counties Available

Fresh freestone peaches are insurable in Utah county. Fresh freestone peaches 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[3]
Insects[4]
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]Unless weeds and undergrowth are not controlled or unmulched pruning debris is not removed.
[4]But not damage due to insufficient or improper application of control measures.
[5]Unless wildlife control measures have not been taken.

### Insurance Period

Coverage begins for each crop year on November 21. The calendar date for the end of the insurance period for each crop year is September 30.

### Important Dates

Sales Closing ...................................... November 20
Acreage Report Due................................ January 15

### Coverage Levels and Premium Subsidies

The guarantee is production, measured in lugs of fresh fruit. Individual amounts of insurance are based on a grower's production history. Insurance providers calculate individual approved-average yields from 4-10 years of production records. Growers can select a coverage level ranging from 50 to 75 percent of their approved average yields and 55 to 100 percent of a price announced by USDA, or catastrophic risk protection (CAT) based on 50 percent of their approved yield and 55 percent of the price.

**Price Election** Price used to calculate your premium and indemnity: **$5.05 per lug**

### 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.

## 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 preselected price.

Based on average yield of 230 lugs per acre, 65-percent coverage level and one basic unit, 100-percent share

| | |
|---|---|
| 230 | Lugs per acre average yield (APH) |
| x .65 | Coverage level percentage |
| 150 | Lugs per acre guarantee |
| - 100 | Lugs per acre actually produced |
| 50 | Lugs per acre loss |
| x $5.05 | Price election |
| **$252.50** | **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

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



## 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