



United States Department of Agriculture
Risk Management Agency

September 2007

2008 COMMODITY INSURANCE FACT SHEET

Cherry Pilot

Oregon, Washington

Crop Insured

The crop insured will be all the sweet **cherries** in the county for which a premium rate is provided by the actuarial documents, that: 1) you have a share; 2) are of varieties (scion and rootstock) adapted to the area; 3) are irrigated, unless special provisions allow a non-irrigated practice; 4) are grown on trees that have reached the minimum age, if specified in the special provisions, at the time insurance attaches and produced at least the amount of cherries specified in the special provisions; 5) are grown in an orchard that, if inspected, is considered acceptable by us.

Counties Available

Oregon: Hood River, Marion, Polk, Umatilla, Wasco and Yamhill counties

Washington: Benton, Chelan, Douglas, Franklin, Grant, Klickitat, Okanogan, Walla Walla and Yakima counties

Causes of Loss

Adverse weather conditions; fire (unless undergrowth has not been controlled or pruning debris has not been removed from the orchard); insects (but not damage due to insufficient or improper application of pest control measures); plant disease (but not damage due to insufficient or improper application of disease control measures); wildlife; earthquake; volcanic eruption; or failure of the irrigation water supply if caused by one of the above causes of loss that occurs during the insurance period.

Insurance Period

Coverage Begins: **November 21**, except that for the year of application if your application is received after November 11, but prior to November 21, insurance will attach on the 10th day after your properly completed application is received in our

local office, unless the acreage is inspected during the 10 day period and it is determined that it does not meet insurability requirements. **Note:** For each subsequent crop year the policy remains continuously in force, coverage begins on the day immediately following the end of the insurance period for the prior crop year.

End of Insurance: Coverage ends the earliest of: total destruction of the crop on the unit; harvest of the unit; final adjustment of a loss on a unit; abandonment of the crop on the unit; or August 31, of the current crop year.

Important Dates

Sales Closing:	November 20
Production Reporting:	January 15
Acreage Reporting:	January 15

The dates shown above will apply to all Oregon and Washington counties where cherry pilot insurance is available.

Administrative Fees

Catastrophic (CAT) Coverage: \$100 per crop per county. **Additional Coverage:** \$30 per crop per county. Waivers of administrative fees for **all** coverage levels (CAT and additional) are available for limited resource farmers.

Guarantee Choices

Guarantees are expressed and claims will be adjusted on a pre-harvest basis. Guarantee is in dollars per acre at an amount to return pre-harvest crop production expenses. Applicants are able to choose from among seven dollar amounts of insurance per acre depending on location, type and practice.

Reporting Requirements

Production Report: You must report to your insurance agent: Planting information including any damage; removal of trees; change in practices or any other circumstance that may reduce the quantity or quality of the cherries produced; and any other information requested by the crop insurance agent.

Acreage Report: You must report to your insurance agent all the acreage of cherries in the county in which you have a share (your share at the time insurance attaches) and the number of bearing trees. Policyholders should contact their insurance agent regarding acreage inter-planted with another perennial crop and other specific details.

Production Value

Production not harvested and sold is valued at the minimum value shown in the special provisions. Harvested and sold production is valued at the greater of the actual value (adjusted to a pre-harvest basis) or the minimum value shown in the special provisions, unless a modified minimum value option is in effect.

Modified Minimum Value Option

This option will be made a part of your insurance policy if you elect either option 1 or option II of the modified minimum value option on your application, on or before the sales closing date for the initial crop year you wish to insure cherries under this option and pay an additional premium for this coverage. For additional premium the option 'buys down' the floor price used to value production which is harvested and sold. (Not available for insureds who elect the CAT endorsement.)

Loss Example

Sweet Cherries: Assume: 100-percent share; amount of insurance is \$2000 per acre; and 10 acres of cherries = \$20,000 liability.

	\$20,000	Total amount of insurance (10 acres X \$2000 amount of insurance per acre)
less	\$ 2,425	Appraised production value (2.5 acres removed for renovation)
less	\$10,250	Production value to count (5.0 acres harvested/sold to warehouse and through a fruit stand: adjusted to pre-harvest basis)
less	\$ 340	Appraised production value (2.5 acres unharvested, 48 percent damage due to rain)
	\$ 6,985	Dollar Value Indemnity Due Policyholder
	\$17,235	Total receipts to pay pre-harvest bills

Where to Purchase

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: <http://www3.rma.usda.gov/tools/agents/>

Regional Contact for RMA

USDA/Risk Management Agency

Spokane Regional Office

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