



United States Department of Agriculture
Risk Management Agency

October 2006

2007 COMMODITY INSURANCE FACT SHEET

Peaches

Alabama, Florida, Georgia, South Carolina

Crop Insured

The crop insured will be all of the peaches (including nectarines) in the county for which a premium rate is provided by the actuarial documents—

- in which you have a share;
- that are grown on tree varieties that were commercially available when the trees were set out;
- are a variety having a chilling hour requirement that is appropriate for the area;
- are grown on a root stock that is adapted to the area;
- that are grown for the production of fresh or processing peaches;
- that are grown in an orchard that, if inspected, is considered acceptable by us; and
 - that are grown on trees that have reached at least the **fourth** growing season after set out.

Please contact your insurance agent for specifics.

Note: If the trees have not reached the fourth year, the acreage may still be insurable by written agreement provided the trees have produced at least 100 bushels per acre.

Peaches interplanted with another perennial crop are insurable provided all other policy requirements are met.

Counties Available

Contact your Insurance Agent for a listing of eligible counties.

Causes of Loss

Adverse weather conditions
Earthquake
Failure of irrigation water supply¹
Fire²
Insects³
Insufficient chilling hours
Plant disease⁴
Volcanic eruption
Wildlife⁵

¹If caused by an insured peril during the insurance period. ²Unless weeds and other forms of undergrowth have not been controlled or pruning debris has not been removed from the orchard. ³But not damage due to insufficient or improper application of pest control measures. ⁴But not damage due to insufficient or improper application of disease control measures. ⁵Unless control measures have not been taken.

Note: We will not insure against damage or loss of production due to split pits, regardless of cause; or inability to market the peaches for any reason other than actual physical damage from an insurable cause.

Insurance Period

Coverage begins on November 21 for the first year of insurance and on October 1 in subsequent years. Coverage ends the earliest of: (1) total destruction of the crop, (2) harvest of the crop, (3) abandonment of the crop, (4) final adjustment of a loss, (5) September 30, 2005.

Reporting Requirements

You must give 15 days notice before any production is direct marketed (unless records verify weighting/grading through a packing shed).

Acreage Report—An acreage report is due to your agent by the date shown above to include all acreage (insurable and uninsurable) in the county in which you have a share.

Notice of Loss—(1) Protect the crop from further damage by providing sufficient care; and (2) notify your agent within 72 hours of your initial discovery of damage (but not later than 15 days after the end of the insurance period). See your insurance agent for detailed requirements.

Production Report—Required by the production reporting date designated in section 3e of the basic provisions; the report must include tree information such as numbers ages, varieties; any change that may adversely impact yield potential (such as, tree removal or change in cultural practices); and any other information as required by the policy.

Important Dates

Sales Closing	November 20
Acreage Reporting.....	January 15
Premium Billing	September 15
Cancellation/Termination.....	November 20

Definitions

Bushel— Fifty pounds of peaches (ungraded)

Production Guarantee— Number of bushels guaranteed determined by multiplying your average yield (based on your records) times the coverage level percentage you elect.

Price Election—The value unit of measure for the purpose of determining premiums and indemnity under the policy (see your insurance agent for additional pricing information).

Coverage Levels and Premium Subsidies

Coverage level options range from 50 to 75 percent of your average yield and are subsidized as shown in the table below. As an example, an average yield of 250 bushels per acre results in a guarantee of 125 bushel per acre at the 50-percent coverage level.

Item	Percent					
Coverage Level	50	55	60	65	70	75
Premium Subsidy	67	64	64	59	59	55
Your Premium Share	33	36	36	41	41	45

Catastrophic (CAT) coverage is fixed at 50 percent of average yield and 55 percent of the price election. CAT is 100 percent subsidized with no premium cost to you. There is, however, an administrative fee of \$100 per county, regardless of the acreage.

Loss Example

This example is based on 50-percent coverage level, 100-percent fresh price election, and an average yield of 250 bushels per acre in Macon County, Georgia.

250	Bushels per acre average yield
x .50	Coverage level percentage
125	Bushels per acre guarantee
- 25	Bushels per acre production
100	Bushels per acre loss
x \$12.75	Price election (fresh)
\$1,275	Indemnity per acre

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