



United States Department of Agriculture
Risk Management Agency

March 2007

2007 COMMODITY INSURANCE FACT SHEET

Crop Revenue Coverage

Arizona

Crop Revenue Coverage (CRC)

CRC provides revenue protection against a yield loss, a price decline, or a combination of both. CRC is available for the following crops and counties:

Corn	Cochise, Graham, Maricopa, and Pinal Counties.
Cotton	Cochise, Graham, Greenlee, La Paz, Maricopa, Mohave, Pima, Pinal and Yuma Counties.
Wheat	Cochise, Graham, Greenlee, La Paz, Maricopa, Mohave, Navajo, Pima, Pinal, Yavapai, and Yuma Counties.

Under CRC, the guarantee is in dollars. A loss results if the calculated revenue falls below the final guarantee. Any indemnity will be the difference between these two values times the insured's share of the crop. Additional CRC features include optional units, enterprise units, and quality adjustment.

Insurance Period

Coverage begins when insured crop is planted and ends at the earliest of:

- Total destruction of the crop,
- Harvest of the crop,
- Final adjustment of a claim,
- Abandonment of the crop,
- Oct 31 for wheat
- Dec. 10th for corn
- Jan. 31st for cotton

Definitions

Coverage Level: Level of protection chosen by producer (50 to 75 percent of approved yield; 85 percent in some states and counties).

Base Price: Initial price used to calculate the premium and the minimum guarantee.

Minimum Guarantee: Approved yield times base price times coverage level percentage.

Harvest Price: Final price used to determine calculated revenue and harvest guarantee.

Calculated Revenue: Production to count (actual production) times the harvest price.

Harvest Guarantee: Approved yield times harvest price times coverage level percentage.

Final Guarantee: Dollars guaranteed per acre (higher of minimum or harvest guarantee)

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.

Base Prices

Corn	Cotton	Wheat
**	**	\$4.52

**** Prices to be announced March 2007.**

Wheat Loss Example

Assume approved yield of 100 bushels per acre, base price \$3.52, harvest price of \$3.25, and 65-percent coverage level, 100-percent share.

100	Bushels per acre CRC approved yield
<u>x .65</u>	Coverage level
65	Bushels per acre guarantee basis
<u>x 3.52</u>	Base price per bushel
\$229	Minimum guarantee per acre
- \$163	Calculated revenue (50 bushels per acre produced X \$3.25 harvest price)
\$ 66.00	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/>

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