



United States Department of Agriculture  
Risk Management Agency

April 2008

## 2008 COMMODITY INSURANCE FACT SHEET

# Processing Tomatoes

## California

### Crop Insured

All varieties of tomatoes are insurable provided they are acceptable according to the processor contract. The tomatoes must be irrigated, either direct-seeded or transplanted, and can be harvested by hand or machine. Growers must insure all their contracted processing tomatoes in a county at the same coverage level.

### Counties Available

Processing tomatoes are insurable in Colusa, Contra Costa, Fresno, Glenn, Kern, Kings, Madera, Merced, Sacramento, San Benito, San Joaquin, Santa Clara, Solano, Stanislaus, Sutter, Tulare and Yolo counties. Processing tomatoes in other counties may be insurable by written agreement if specific criteria are met. Contact an agent for more details.

### Causes of Loss

Adverse weather conditions<sup>1</sup>  
Failure of irrigation water supply<sup>2</sup>  
Fire<sup>3</sup>  
Insects<sup>4</sup>  
Plant disease<sup>4</sup>  
Wildlife<sup>5</sup>

<sup>1</sup>Natural perils such as hail, frost, freeze, wind, drought, and excess moisture.

<sup>2</sup>If caused by an insured peril during the insurance period.

<sup>3</sup>Unless weeds and undergrowth are not controlled or unmulched pruning debris is not removed.

<sup>4</sup>But not damage due to insufficient or improper application of control measures.

<sup>5</sup>Unless wildlife control measures have not been taken.

### Important Dates

Sales Closing ..... January 31  
Final Planting ..... Direct Seed: May 31  
..... Transplanted: June 15  
Acreage Reporting ..... July 15

\*See an agent for dates in your area.

### Insurance Period

Producers must apply for coverage with a crop insurance agent before January 31 to insure the tomatoes they plan to plant and harvest that year. Coverage begins when the tomatoes are planted and ends the earlier of:

- When the contract is fulfilled
- Harvesting ends
- Acreage is abandoned
- October 20

### Coverage Levels and Premium Subsidies

The guarantee is the amount of production selected by the insured, measured in tons of tomatoes delivered to a processor. Individual amounts of insurance are based on a grower's production history. Each grower's approved-average yield is calculated from 4 to 10 years of production records provided to an insurance agent. 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 the USDA. Catastrophic (CAT) coverage is based on 50 percent of their approved yield and 55 percent of the price.

**Price Election:** Price used to calculate your premium or indemnity: **\$63.00** 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 or your local county FSA office for an agent listing.

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## 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 actual production history (APH) yield of 35 tons per acre, 70-percent coverage level on 100 acres of tomatoes, selected price of \$63.00 per ton, and one basic unit, 100-percent share.

35	Tons per acre average yield (APH)
x .70	Tons level
24.5	Tons per acre guarantee
- 16	Tons per acre actually produced
8.5	Tons per acre loss
x 63.00	Price election (at 100 percent)
<b>\$ 535.50</b>	<b>Gross indemnity per acre</b>

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## 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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