United States Department of Agriculture
Risk Management Agency

August 2005

2006 COMMODITY INSURANCE FACT SHEET

Strawberries

California

Crop Insured

Insurance is available for all summer and winter planted strawberries grown for commercial sale in the counties listed below. Cultural requirements include pre-plant soil sterilization and an adequate irrigation system and water supply. Planting must occur in the normal summer and winter planting periods. Plants must be certified disease-free and are insurable for only one year after transplanting. Planting beds must be raised at least six inches and covered with plastic mulch. Individuals with no experience growing strawberries will not qualify for insurance coverage. Insured growers must have produced (or managed an operation that produced) a specified, minimum amount of strawberries per acre during 3 of the last 5 years.

Counties Available

Strawberries are insurable in Fresno, Merced, Santa Barbara, and Ventura counties.

Causes of Loss

Adverse Weather Conditions[1]
Failure of Irrigation Water Supply[2]
Fire[4]
Wildlife[5]
Insects[3]
Plant Disease[3]

[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]But not damage due to insufficient or improper application of control measures.
[4]Unless weeds and undergrowth are not controlled or unmulched pruning debris is not removed.
[5]Unless wildlife control measures have not been taken.

Important Dates

Sales Closing ....July 31
Final Planting......................................Various Dates
Acreage Report Due............................Various Dates

See a crop insurance agent in your area for details.

Insurance Period

Coverage begins at transplanting (unless the acreage is inspected and determined not to meet insurability requirements) and ends at the earliest of:

- Total destruction of the insured crop on the unit
- Harvest of the unit
- Final adjustment of a loss on a unit
- Abandonment of the crop on the unit
- July 31
- The date harvest should have started on acreage that will not be harvested

Coverage Levels and Premium Subsidies

Producers can select their guarantee from among seven fixed-dollar amounts of insurance offered in the county. However, the amounts of insurance available may be limited if the insured has not produced the minimum production of the insured crop specified in each county in at least 1 of the most recent 3 crop years. Amounts of insurance may also be limited if the grower intends to plant more than 125 percent of the prior year's acreage.

Definitions

Allowable Cost – The dollar amount per pound for harvesting, hauling and handling charges for fresh market and freezer market production.
Amount of Insurance – the amount shown on the actuarial documents for the corresponding coverage level percentage you select.
Minimum Value – A dollar amount per pound we will use to value appraised or marketable production.
Minimum Value Option – An option that allows the grower to choose a lower dollar amount per pound than the minimum value to value marketable production for additional premium.
Reference Maximum Dollar Amount – The amount that is multiplied by the coverage level to determine the amount of insurance.

Loss Example

Assume 65-percent coverage level, winter planted type berries in Santa Barbara county, 100-percent share and minimum production requirements met.

The amount of loss (indemnity payment) is determined by subtracting the net-value received from the total amount of insurance. For example, if a producer elected to insure 5 acres of strawberries for $8,483 (the reference maximum dollar amount) per acre, the total amount of insurance (the guaranteed revenue) would be $42,415. All fresh market harvested strawberry production is graded in the field. Therefore, all pounds delivered are considered accepted production at delivery. For the following loss example the grower delivered 25,000 pounds and the gross dollars received was $27,500.

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Net Price Received:	Gross dollars received / total pounds delivered = $27,500 / 25,000 pounds = $ 1.10
Net Value Received:	Net price received – allowable cost (the dollar amount per pound for harvesting, hauling and handling) x total pounds delivered = $1.10 - $.46= $.64 x 25,000 = $16,000
Indemnity Payment:	Total amount of insurance – net value received = $42,415 - $16,000= $26,415

Where to Purchase Crop Insurance

All MPCI, including CAT coverage insurance policies are available from private insurance agents. A list of crop insurance agents is available on the RMA website at: http://www3.rma.usda.gov/tools/agents/

Regional Contact for RMA

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