



United States Department of Agriculture  
Risk Management Agency

February 2009

## 2010 COMMODITY INSURANCE FACT SHEET

# Citrus

## California

### Crops Insured

All the main citrus crops (listed below) are insurable, but not all citrus crops are insurable in all counties. Trees must have reached at least the sixth growing season after being set out to be insurable without a written agreement. Growers must insure all their acreage of a particular crop in the county. Since each crop is a separate insurance unit, one can choose to insure one type and not another. For example, a grower could insure all his lemon acreage and none of his grapefruit.

Navel oranges	Valencia oranges
Sweet oranges	Lemons
Minneola Tangelos	Orlando Tangelos
Grapefruit (includes pummelos)	
Mandarins (includes Tangerines)	

### Counties Available

Different citrus crops are available in Fresno, Glenn, Imperial, Kern, Madera, Monterey, Orange, San Bernardino, San Diego, San Luis Obispo, Santa Barbara, Tulare, Ventura and Riverside counties. Citrus 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.

### Insurance Period

In order to insure the crop, California growers must apply for coverage with a crop insurance agent by November 20, 2008. Then their citrus crop will be insured from bloom until the end of harvest in 2010.

### Important Dates

Sales Closing .....	November 20
Acreage Report Due .....	January 10

### Coverage Levels and Premium Subsidies

The guarantee is based on an individual's production history. Citrus production is measured in the number of cartons packed for fresh-market sales. Growers are asked to provide 4-10 years of production records from which their insurance agent calculates their average yield. Growers can select coverage levels from 50 to 75 percent of their individual approved average yield and 50 to 100 percent of the price determined by USDA, or catastrophic risk protection based on 50 percent of their yield and 55 percent of the price.

**Price Election:** Price used to calculate your premium and indemnity. For citrus, price elections vary by crop and are re-calculated each year. Please consult your insurance agent for current price election.

### 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 \$300 with 100 percent of the premiums being fully subsidized. Higher coverage levels are subsidized at lower rates but 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 pre-selected price.

Based on actual production history (APH) yield of 400 cartons per acre, 50-percent coverage level on 100 acres of citrus fruit, selected price of \$5.15 per carton, 100-percent share.

600	Cartons per acre average yield (APH)
<u>x .50</u>	Coverage level percentage
300	Cartons per acre guarantee
<u>- 200</u>	Cartons per acre actually produced
100	Cartons per acre loss
<u>x \$5.15</u>	Price election
<b>\$ 515</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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