



United States Department of Agriculture
Risk Management Agency

February 2009

2009 COMMODITY INSURANCE FACT SHEET

Onions

California

Crop Insured

All spring planted white and yellow storage type onions contracted for dehydration and processing utilization only in the county for which a premium rate has been established.

Counties Available

Onions are insurable in Modoc and Siskiyou counties. Crop 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 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.

Insurance Period

The insurance period ends the earliest of:

- Removal of the onion from the field
- Fourteen days after lifting or digging
- November 7 for all storage onions

Important Dates

Sales ClosingFebruary 1
Final PlantingMay 15
Acreage Report DueJune 30

Coverage Levels and Premium Subsidies

Individual amounts of insurance are based on the grower's past production and planted acres. Prospective insured are asked to provide 4 to 10 years of actual yield history for which their average yield is calculated. In the absence of four years of actual yield history, the approved yield is calculated using a combination of actual and transitional yields (estimate of county average). Producers can select a level of coverage from 50 to 75 percent of their individual approved average yield and 55 to 100 percent of the price announced by USDA. **Catastrophic risk protection (CAT)** coverage is equal to 50 percent of their approved average yield and 55 percent of their price. The unit of measure used is hundredweight (cwt.).

Price Election: Price used to calculate your premium, liability and indemnity:

2009 Price: \$5.10 per cwt.

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 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.

Preventive Planting

Prevented planting provisions are available.

Loss Example

Example assumes 75-percent coverage, and 100-percent price election of \$5.10 per cwt .and an average yield of 400 cwt. and 100-percent share. Grower harvests 200 cwt per acre.

400	Cartons per acre average yield (APH)
<u>x .75</u>	Coverage level
300	Carton per acre guarantee
<u>- 200</u>	Carton per acre actually produced
100	Carton per acre loss
<u>x 5.10</u>	Price election
\$510.00	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/>

Download Copies from the Web

Visit our online publications/fact sheets page at: http://www.rma.usda.gov/aboutrma/fields/ca_rso/.

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