



United States Department of Agriculture  
Risk Management Agency

May 2010

## 2010 COMMODITY INSURANCE FACT SHEET

# Mint California

### Crop Insured

The **mint** crop insured will be peppermint type in the county for which a premium rate is provided by the actuarial document in which the insured has a share; that are planted for harvest and distillation as mint oil; that have an adequate stand of 1.5 plants per square foot by the date coverage begins; and that have been inspected and accepted by the insurance provider for the first crop year of insurance or certified by the insured as having an adequate stand by the date coverage begins after the first year the crop is insured.

### Counties where Available

Modoc, Siskiyou, Shasta, and Lassen.

### Important Dates

Basic Coverage Sales Closing.....	March 15
Basic Coverage Acreage Reporting Date.....	June 30
Winter Coverage Option Sales Closing Date .....	September 30
Winter Coverage Option Acreage Reporting Date .....	December 15
Cancellation Date.....	September 30
Termination Date .....	November 30

### Insurance Period

**Basic Coverage Begins:** Insurance coverage begins on each unit or part of a unit for acreage with an adequate stand on **May 16**.

**Basic Coverage Ends:** Insurance coverage ends for each unit or part of a unit at the earliest of: 1) total destruction of the insured crop on the unit; 2) final adjustment of a loss on a unit; 3) final harvest; 4) abandonment of the crop on the unit; or 5) **October 31**.

### Winter Coverage Option

The provisions of the winter coverage option provide protection when any insured mint is damaged and does not meet the requirement of adequate stand before the beginning of the basic coverage. The option provides a guarantee equal to 60 percent of the total guarantee. Coverage will attach if you elect this option at the time of application, on or before the fall sales closing date for the crop year, pay the additional premium indicated in the actuarial documents, and have not elected coverage under the CAT option. If you elect this option, all of the insurable acreage in the county will be insured by this option.

The optional winter coverage begins November 1 for all mint acreage with an adequate stand on this date. Insurance protection provided under this option ceases on May 15, and coverage continues under the basic policy beginning immediate the next day, May 16.

### Guarantee and Price Election Options

Coverage is based on actual production history (APH) with choices of variable percentages of your approved average yield, from 50 percent up to 75 percent, in 5 percent increments. The price election, at which you are compensated in the event of a loss, is a choice of various percentages of the price established for the applicable crop year. Catastrophic (CAT) coverage is available at the 50-percent coverage level and 55 percent of the established price. Contact your crop insurance agent for specific details.

### Acreage Report

You must report to your insurance agent the acreage with an adequate stand in which you have a share (your share at the time insurance attaches), reporting the crop by type and practice.

## Insurable Acreage

The mint acreage requirements are as follows: insurance will not attach to any mint acreage to which mint has been grown in the 3 previous crop years for all counties, and an insurable age up to 8 crop years for the counties of Siskiyou and Modoc and 6 crop years for Shasta and Lassen unless acreage exceeding the age requirements are approved to be insured in writing.

**We will not insure any loss of production that:** (1) occurs after harvest; or (2) is due to your failure to distill the crop, unless such failure is due to actual physical damage caused by an insured cause of loss that occurs during the insurance period; or (3) is due to Verticillium Wilt disease.

## Unit Structure

The mint policy offers a **basic unit** by type (Peppermint) and share and an **optional unit** by Section. (No optional or type units under CAT.)

## Causes of Loss

Adverse weather conditions; fire; insects (but not damage due to insufficient or improper application of pest control measures); plant disease (except Verticillium Wilt) but not damage due to insufficient or improper application of disease control measures; wildlife; earthquake; volcanic eruption; **or**, failure of the irrigation water supply, if caused by an insured cause of loss that occurs during the insurance period.

## Administrative Fees

Catastrophic (CAT) coverage: \$300 per crop per county. Waivers of administrative fees for all coverage levels (CAT and additional) are available for limited resource farmers.

## Catastrophic Coverage

Catastrophic (CAT) coverage is available at the 50-percent coverage level and 55 percent of maximum price election. See your crop insurance agent for specific details.

## Distillation

A process of extracting mint oil from harvested mint plants by heating and condensing.

## Loss Example - Mint

**Mint Loss Example:** Assuming: 75-percent coverage level and a 100-percent price election per pound of \$23.00 and an average yield of 80 pounds per acre actual production history (APH):

80	Pounds per acre APH
x .75	Percent coverage level
60	Pound per acre guarantee
x 100.0	Acres
6,000	Pound unit guarantee
x \$23.00	Price coverage
\$138,000	Guarantee value
3,000	Pounds harvested production
x \$23.00	Price coverage
\$69,000	Harvested value
<b>\$138,000 - \$69,000 = \$69,000 loss indemnity due policy holder</b>	

## Where to Purchase

All multi-peril crop insurance (MPCI), including CAT coverage insurance policies, are available from private insurance agents. A list of crop insurance agents is available on the RMA Web site:

<http://www3.rma.usda.gov/tools/agents/>

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