United States Department of Agriculture
Risk Management Agency

April 2010

2010 COMMODITY INSURANCE FACT SHEET

Stonefruit

California

Crop Insured
Six types of stone fruit, designated by their intended use, are insurable: fresh and processing apricots, fresh and processing freestone peaches, fresh nectarines, and cling peaches for processing. Growers must insure all their acreage of a particular type of stone fruit in a county. However, since each type is insured separately, one type can be insured and not another.

Counties Available
Stonefruits are insurable in Butte, Contra Costa, Fresno, Kern, Kings, Madera, Merced, San Benito, San Joaquin, Santa Clara, Solano, Stanislaus, Sutter, Tulare, Yolo and Yuba counties. Stonefruit in other counties may be insurable by written agreement if specific criteria are met.

Causes of Loss
Adverse weather conditions[1]
Failure of irrigation water supply[2]
Fire[4]
Insects[3]
Plant disease[3]
Wildlife[5]

[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.

Insurance Period
Coverage begins for each crop year on February 1. The calendar date for the end of the insurance period for all apricots is July 31 and September 30 for all nectarines and peaches.

Important Dates
Sales Closing.. January 31
Acreage Report Due..................................... March 1

Coverage Levels and Premium Subsidies
The guarantee is production, measured in lugs of fresh fruit and tons of processing fruit. Individual amounts of insurance are based on a grower's production history. An insurance agent calculates each grower's approved-average yield from 4-10 years of production records. 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 USDA. Catastrophic (CAT) risk coverage based on 50 percent of their approved yield and 55 percent of the price.

Price Election Price used to calculate your premium and indemnity.

Fresh Apricots	$8.90 per lug
Processing Apricots	$183 per ton
Fresh Nectarines	
Early	$8.40 per lug
Mid	$4.90 per lug
Late	$1.90 per lug
Cling Peaches	
Extra Early	$255 per ton
Non-Extra Early	$230 per ton
Fresh Freestone Peaches	
Early	$7.05 per lug
Mid	$3.35 per lug
Late	$2.55 per lug
Processing Freestone	$140 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 $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. A listing of crop insurance agents is available at your

Loss Example (Fresh Freestone Peaches)

You select 75 percent coverage level and 100 percent of the price election on 50 total acres of Fresh Freestone Peaches with 100 percent share in the unit. You have 20 acres of type (107) Early Season with a production guarantee of 500 lugs per acre. You have 20 acres of type (108) Mid Season with a production guarantee of 450 lugs per acre, and 10 acres of type (109) Late Season with a production guarantee of 525 lugs per acre. The price election for the Early Season type is $7.05, the Mid Season type is $3.35, and the Late Season type is $2.55. You harvest 4,000 lugs as fresh production from the Early Season block and receive a value of $5.10 per lug. You harvest 6,000 lugs as fresh production from the Mid Season block and receive a value of $4.75 per lug. You harvest 80 tons that are sold for other than fresh packed production from the Late Season block and receive a value of $60 per ton. The harvest cost for all types is $1.63 per lug and the unit weight measurement is all in 25 lbs per lug.

Your indemnity would be calculated as follows:

(1) 20.0 acres x 500 lugs = 10,000 lug guarantee for Early Season
20.0 acres x 450 lugs = 9,000 lug guarantee for Mid Season
10.0 acres x 525 lugs = 5,250 lug guarantee for Late Season

10,000 + 9,000+5,250 = **24,250 lug guarantee for the 50.0 acres**

(2) 10,000 x $7.05 = $70,500 for Early Season
9,000 x $3.35 = $30,150 for Mid Season
5,250 x $2.55 = $13,388 for Late Season

$70,500 + $30,150 + $13,388 = **$114,038 value of total guarantee**

(3) (i) **Early Season**
($5.10) – ($1.63) = $3.47 =>(Price received) – (harvest cost) = on tree value

($3.47) / ($7.05) = .492 =>(on tree value) / (price election) = factor
(Note= Less than 75% of the marketable value of undamaged production)

4,000 lugs x .492 = 1,968 =>(production) x (factor) = production to count

10,000 – 1,968 = 8,032 production loss
8,032 x $7.05 = **$56,626 total loss**

(ii) **Mid Season**
($4.75) – ($1.63) = $3.12 =>(Price received) – (harvest cost) = on tree value

($3.12) / ($3.35) = .931 =>(on tree value) / (price election) = factor
(Note= greater than 75% of the marketable value of undamaged production. Not eligible for quality adjustment)

9,000 – 6,000 = 3,000 production loss
3,000 x $3.35 = **$10,050 total loss**

(iii) **Late Season**
80 x 2,000 = 160,000 lbs
160,000 / 25 lb lug = 6,400 lugs =>(Converting tons to 25 lb lugs)

$60 / 25 = $2.40 lug
(2.40) – (1.63) = $0.77=>(Price received) – (harvest cost) = on tree value

($0.77) / ($2.55) = .302 =>(on tree value) / (price election) = factor
(Note= Less than 75% of the marketable value of undamaged production)

(6,400) x (.302) = 1,933=>(production) x (factor) = production to count
5,250 - 1,933 = 3,317 production loss
3,317 x $2.55 = $**8,458 total loss**

(4) **Total Indemnity Payment**
$56,626 + 10,050 + 8,458 = $75,134 total loss

(5) **$75,134 x 1.000 share = $75,134 total indemnity payment**

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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