



United States Department of Agriculture
Risk Management Agency

December 2010

2012 COMMODITY INSURANCE FACT SHEET

Actual Revenue History-Navels California

Actual Revenue History (ARH)

- Protects growers against losses from low yields, low prices, low quality, or any combination of these events.
- Grower's coverage based on their own net revenue history.
- Revenue is determined after harvest at the point of first delivery.

Crop Insured

- All types of navel oranges adapted to the area
- Fresh use only
- Irrigated
- Trees which have reached at least the 6th growing season after being set out
- Growers must insure all of their navel orange acreage in the county, and at the same coverage level.

Counties Available

Fresno, Kern, Madera, Tulare

Causes of Loss¹

Adverse weather conditions
 Earthquake
 Failure of irrigation water supply
 Fire
 Inadequate market price
 Insects and plant disease
 Volcanic eruption
 Wildlife

¹Consult your crop insurance agent concerning specific conditions that apply to the above listed causes of loss

Important Dates

Sales Closing November 20, 2009
 Acreage Report Date January 10, 2010
 Billing Date..... September 15, 2009

Insurance Period

Coverage begins: November 21, 2009

Coverage Ends: August 31, 2011

Coverage Levels and Premium Subsidies

- Coverage levels range from 50 to 75 percent.
- Catastrophic (CAT) Risk Coverage is unavailable.
- Select a payment factor ranging from .67 to 1.0
 - Reduces amount of insurance without changing the point at which indemnities trigger
 - Reduces premium and indemnity amount paid

Cost of Crop Insurance

Agricultural Risk Protection Act of 2000 raised the subsidies for federal crop insurance premiums substantially. 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.

Loss Example

- Approved revenue = \$3,200
- Producer selects:
 - 75-percent coverage level
 - Payment factor of 1.0
- 100-percent share
- Amount of Insurance = \$2,400 per acre

$$\$3,200 / \text{acre} * .75 * 1.00 * 1.00$$

- Producer markets 400 cartons of fresh navel oranges per acre and receives \$5.00 / ctn. net

\$3200	Approved revenue
X .75	Coverage level
X 1.00	Payment factor
\$2,400	Amount of insurance

400	Cartons
X \$5.00	Per carton net price
\$2,000	Revenue to count

\$2,400	Amount of insurance
\$2,000	Revenue to count
\$400	
X 1.0	Payment factor
\$400	Indemnity per acre

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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/>