



United States Department of Agriculture  
Risk Management Agency

January 2011

## 2011 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 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

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 Closing .....February 1  
Final Planting .....May 15  
Acreage Report Due .....June 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:

**2011 Price:** \$5.90 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

These provisions provide reduced protection on acreage that cannot be planted by the final planting date. Consult a crop insurance agent for more details.

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## Loss Example

Example assumes 75-percent coverage, and 100-percent price election of \$5.90 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 5.90</u>	Price election
<b>\$590.00</b>	<b>Gross indemnity per acre</b>

\*\*Price used above is for example only. Contact your crop insurance agent for current information.

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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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