United States Department of Agriculture
Risk Management Agency

December 2010

2011 COMMODITY INSURANCE FACT SHEET

Pears

California

Crop Insured

All pears grown for fresh market or processing that are adapted to the area. That have produced an average of at least five (5) tons per acre in at least one of the four previous crop years unless the Special Provisions or a written agreement establishes a lower production level.

Counties Available

Pears are insurable in El Dorado, Lake, Mendocino Sacramento, San Joaquin, Solano, Sutter, Yolo and Yuba counties. Pears 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[1]
Earthquake
Failure of irrigation water supply[2]
Fire[3]
Volcanic eruption

[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]Unless weeds and other forms of undergrowth have not been controlled or pruning debris has not been removed from the orchard.

Insurance Period

Insurance attaches at time of planting and ends the earliest of:

- Total destruction of the crop
- Harvest of the crop
- Final adjustment of a loss
- Abandonment of the crop
- September 15 for Bartlett (green and red) and Star Crimson (Crimson Red varietal groups)
- October 15 for all other varietal groups

Important Dates

Sales Closing .... January 31
Acreage Report Due .... January 31

Coverage Levels and Premium Subsidies

Individual amounts of insurance are based on a grower's production history. Each grower's approved average yield is calculated from a minimum of 4 to 10 years of production records provided to an insurance agent. Producers can select a level of coverage ranging from 50 to 75 percent of their approved average yield and 50 to 100 percent of a price announced by USDA, or catastrophic (CAT) coverage based on 50 percent of their approved yield and 55 percent of the price.

Price Election: The price used to determine your premium and indemnity.
Green Bartlett-$195 per ton
Winter and all other types-$435

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 fully 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 Farm Service Agency office for an agent listing.

Green Bartlett Loss Example

Based on average yield of 25 tons per acre, 75-percent coverage level, one basic unit, price election* of $180 per ton and 100-percent share.

25	Tons per acre average yield (APH)
x .75	Coverage level
18.75	Tons per acre guarantee
- 10	Tons per acre actually produced
8.75	Tons per acre loss
x $180	Price election* (at 100 percent)
$**1,575**	**Gross indemnity per acre**

*2010 price election used for example only. Contact a crop insurance agent for current information.

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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