



United States Department of Agriculture
Risk Management Agency

December 2010

2011 COMMODITY INSURANCE FACT SHEET

Stonefruit

California

Crop Insured

Seven types of stonefruit, designated by their intended use, are insurable: fresh and processing apricots, fresh and processing freestone peaches, fresh nectarines, cling peaches for processing and fresh plums.

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

Stonefruit 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 conditions¹
Failure of irrigation water supply²
Fire⁴
Insects³
Plant disease³
Wildlife⁵

¹Natural perils such as hail, frost, freeze, wind, drought, and excess moisture.

²If caused by an insured peril during the insurance period.

³But not damage due to insufficient or improper application of control measures.

⁴Unless weeds and undergrowth are not controlled or un-mulched pruning debris is not removed.

⁵Unless 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

Yields are based on actual production records reported to your insurance agent. Growers can select a coverage level ranging from 50 to 75 percent of their average yield or Catastrophic Coverage Risk protection which offers a producer a 50-percent level of coverage, indemnified at 55 percent of the established price.

Price Election Price used to calculate your premium and indemnity.

Fresh Apricots.....	\$10.40 per lug
Processing Apricots	\$182 per ton
Fresh Nectarines	
Early	\$9.95 per lug
Mid.....	\$4.55 per lug
Late.....	\$2.85 per lug
Cling Peaches	
Extra Early	\$278 per ton
Non-Extra Early	\$240 per ton
Fresh Freestone Peaches	
Early	\$9.05 per lug
Mid.....	\$4.00 per lug
Late.....	\$3.30 per lug
Processing Freestone.....	\$154 per ton
Fresh Plum	
Early.....	\$12.10 per lug
Mid.....	\$6.00 per lug
Late.....	\$6.15 per lug

Cost of Crop Insurance

CAT coverage:

- Pay an application fee of \$300
- 100 percent of the premiums subsidized.

Higher coverage levels

- Pay an application fee of \$30 and
- Premiums are subsidized at lower rates

For more detailed information about the amounts of coverage and premiums, please contact a crop insurance agent.

Loss Example (Fresh Freestone Peaches)

Example assumes 75-percent coverage, 100-percent of the price elections for early (\$9.05), mid (\$4.00), and late season (\$3.30) types on 50 total acres of Fresh Freestone Peaches with 100-percent share. There are 20 acres of type (107) Early Season with a production guarantee of 500 lugs per acre. There are 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. There is a harvest of 4,000 lugs of fresh production from the Early Season block with a receiving value of \$5.10 per lug, there is a harvest 6,000 lugs of fresh production from the Mid Season block with a receiving value of \$4.75 per lug, and there is a harvest 80 tons that are sold for other than fresh packed production from the Late Season block and a receiving 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 \$9.05 = \$90,500 for Early Season
9,000 x \$4.00 = \$36,000 for Mid Season
5,250 x \$3.30 = \$17,325 for Late Season

\$90,500 + \$36,000 + \$17,325 = **\$143,825 value of total guarantee**

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

(\$3.47) / (\$9.05) = .383 =>(on tree value) / (price election) = factor
(Note= Less than 75% of the marketable value of undamaged production)

4,000 lugs x .383 = 1,532 =>(production) x (factor) = production to count

10,000 - 1,532 = 8,468 production loss
8,468 x \$9.05 = **\$76,635 total loss**

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

(\$3.12) / (\$4.00) = .78 =>(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 \$4.00 = **\$12,000 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) / (\$3.30) = .233 =>(on tree value) / (price election) = factor
(Note= Less than 75% of the marketable value of undamaged production)

(6,400) x (.233) = 1,491 =>(production) x (factor) = production to count

5,250 - 1,491 = 3,759 production loss

3,759 x \$3.30 = **\$12,405 total loss**

- (4) **Total Indemnity Payment**
\$76,635 + 12,000 + 12,405 = \$101,040 total loss
(5) **\$101,040 x 1.000 share = \$101,040 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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