United States Department of Agriculture
Risk Management Agency

March 2012

2012 COMMODITY INSURANCE FACT SHEET

Pecans

Arizona

Crop Insured
All the pecans in a county that are grown on trees that are either at least in the twelfth growing season after either being set out or replaced by transplants, or those that are in at least the fifth growing season after top work, and have produced at least 600 pounds of pecans in-shell per acre in at least 1 year after having been grafted. The orchard must be at least one contiguous acre, unless allowed by written agreement.

Counties Available
Pecans are insurable in Cochise, Graham, Greenlee, Maricopa, Pima and Pinal counties. Pecans 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]
Decline in market price
Failure of irrigation water supply[2]
Fire[3]
Insects[4]
Plant disease[4]
Volcanic eruption
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]Unless weeds and undergrowth are not controlled or unmulched pruning debris is not removed.
[4]But not damage due to insufficient or improper application of control measures.
[5]Unless wildlife control measures have not been taken.

Insurance Period
Pecan insurance coverage is available only in 2-year modules. You must remain in the program for at least 2 consecutive years. You must apply for coverage with a crop insurance agent before January 31 to insure the crop you plan to harvest in both years.

Coverage begins on February 1 of each crop year. However, for the year of application, we will inspect all pecan acreage and will notify you of the acceptance or rejection of your application no later than 30 days after the sales closing date.

Important Dates
Sales Closing	January 31
Acreage Report Due	March 1

Coverage Levels and Premium Subsidies
The amount of insurance (guarantee) is determined from your sales records. The coverage level and guarantee remain the same for each year in the 2-year insurance module. Indemnity payments are calculated for each year individually. Individual approved average revenue amounts are calculated from 4 to 10 years of production records.

You can select a coverage level from 50 to 75 percent of your approved average revenue, or catastrophic (CAT) coverage based on 27.5 percent of your approved average revenue.

For CAT coverage, you would pay an application fee of $300 with 100 percent of the premiums being subsidized. Higher coverage levels are subsidized at lower rates but USDA pays at least 50 percent of the premium. For more information about coverage levels and premiums, please contact a crop insurance agent or your local county Farm Service Agency office for an agent listing.

Loss Example
Assume you have chosen a 65-percent coverage level and you have average gross sales of $1,280. You produced 800 pounds per acre in 2012 with an average price of $ .75 per pound equaling $600 per acre.

This fact sheet gives only a general overview of the crop insurance program and is not a complete policy. For further information and an evaluation of your risk management needs, contact a crop insurance agent.

65%	Coverage level
x $1,280	Average gross sales
$832 per acre	Amount of insurance
- $600 per acre	Value of production
$232 per acre	**Indemnity**

Where to Buy Crop Insurance

All multi-peril crop insurance, including CAT 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/apps/agents/

Regional Contact

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