



United States Department of Agriculture
Risk Management Agency

March 2012

2012 COMMODITY INSURANCE FACT SHEET

Mint California

Crop Insured

Peppermint can be insured in your county if:

- (1) A premium rate is provided by the actuarial document in which you have a share;
- (2) The crop is planted for harvest and distillation as mint oil;
- (3) The crop has an adequate stand of 1.5 plants per square foot by the date coverage begins; and
- (4) The crop has been inspected and accepted by the insurance company for the first crop year or you certified the crop as having an adequate stand by the date coverage begins after the first year the crop is insured.

Counties Where Available

Crop insurance is available for peppermint in Modoc, Siskiyou, Shasta, and Lassen counties.

Causes of Loss

Adverse weather conditions

Earthquake

Failure of irrigation water supply¹

Fire

Insects²

Plant disease³

Volcanic eruption

Wildlife

¹If caused by an insured cause of loss.

²But not damage due to insufficient or improper application of pest control measures.

³Except Verticillium Wilt or due to insufficient or improper application of disease control measures.

Note: We will also not insure any production loss that:

- 1) Occurs after harvest; or
- 2) Is due to your failure to distill the crop, unless such failure is due to actual physical damage caused by an insured cause of loss that occurs during the insurance period.

Insurance Period

Insurance coverage begins on each unit or part of a unit for acreage with an adequate stand on **May 16**. Insurance coverage ends for each unit or part of a unit at the earliest of:

- 1) total destruction of the insured crop on the unit;

- 2) final adjustment of a loss on a unit;
- 3) final harvest;
- 4) abandonment of the crop on the unit; or
- 5) **October 31**.

Important Dates

| | |
|--|--------------|
| Basic Coverage Sales Closing..... | March 15 |
| Basic Coverage Acreage Reporting Date..... | June 30 |
| Winter Coverage Sales Closing Date | September 30 |
| Winter Coverage Acreage Reporting Date ... | December 15 |
| Cancellation Date..... | September 30 |
| Termination Date | November 30 |

Winter Coverage Option

The provisions of the winter coverage option provide protection when any insured mint is damaged and does not meet the requirement of adequate stand before the beginning of the basic coverage. The option provides a guarantee equal to 60 percent of the total guarantee. Coverage will attach if you elect this option at the time of application, on or before the fall sales closing date for the crop year, pay the additional premium indicated in the actuarial documents, and have not elected coverage under the catastrophic option. If you elect this option, all of the insurable acreage in the county will be insured by this option.

Optional winter coverage begins November 1 for all mint acreage with an adequate stand on this date. Insurance protection provided under this option ceases on May 15, and coverage continues under the basic policy beginning the next day, May 16.

Guarantee and Price Election Options

Coverage is based on actual production history (APH) with choices of variable percentages of your approved average yield, from 50 percent up to 75 percent, in 5 percent increments. The price election, at which you are compensated in the event of a loss, is a choice of various percentages of the price established for the applicable crop year. Catastrophic (CAT) coverage is available at the 50 percent coverage level

and 55 percent of the established price. Contact your crop insurance agent for specific details.

Price Election

The price used to calculate your premium and indemnity.

| | |
|--|--------------------------|
| | \$24.00 per pound of oil |
|--|--------------------------|

Acreage Report

You must report to your insurance agent the acreage with an adequate stand in which you have a share (your share at the time insurance attaches). You must report the crop by type and practice.

Insurable Acreage

Insurance will not attach to any mint acreage where mint has been grown:

- 1) In the 3 previous crop years for all counties;
 - 2) In Siskiyou and Modoc where mint has been grown in the 8 previous crop years; or
 - 3) In Shasta and Lassen where mint has been grown in the 6 previous crop years;
- unless acreage exceeding the age requirements are approved to be insured in writing.

Unit Structure

The mint policy offers a **basic unit** by type (Peppermint) and share and an **optional unit** by Section. (No optional or type units under CAT.)

Cost

For CAT coverage, you 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 county Farm Service Agency office for an agent listing.

Loss Example

Assuming 75-percent coverage level and a 100-percent price election per pound of \$24.00 and an average yield of 100 pounds per acre actual production history (APH):

| | |
|--|-----------------------------|
| 100 | Pounds per acre APH |
| x 75 | Percent coverage level |
| 75 | Pound per acre guarantee |
| x 100.0 | Acres |
| 7,500 | Pound unit guarantee |
| x \$24.00 | Price coverage |
| \$180,000 | Guarantee value |
| 3,000 | Pounds harvested production |
| x \$24.00 | Price coverage |
| \$72,000 | Harvested value |
| \$180,000 - \$72,000 = \$108,000 loss | |
| indemnity due policy holder | |

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

USDA/Risk Management Agency

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