



United States Department of Agriculture
Risk Management Agency

May 2012

2012 COMMODITY INSURANCE FACT SHEET

Processing Tomatoes

California

Crop Insured

All varieties of processing tomatoes are insurable provided they are grown under and acceptable according with a processor contract. The tomatoes must be irrigated. Producers must insure all their contracted processing tomatoes in a county.

Counties Available

Processing tomatoes are insurable in Colusa, Contra Costa, Fresno, Glenn, Kern, Kings, Madera, Merced, Sacramento, San Benito, San Joaquin, Santa Clara, Solano, Stanislaus, Sutter, Tulare and Yolo counties. Processing tomatoes 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 conditions¹
Failure of irrigation water supply²
Fire³
Insects⁴
Plant disease⁴
Volcanic eruption
Wildlife⁵

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

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

³Unless weeds and other forms of undergrowth have not been controlled or pruning debris has not been removed.

⁴But not damage due to insufficient or improper application of control measures.

⁵Unless wildlife control measures have not been taken.

Important Dates

Sales ClosingJanuary 31
Final PlantingJune 15
Acreage Reporting..... July 15

Insurance Period

You must apply for coverage with a crop insurance agent before January 31 to insure the tomatoes you plan to plant and harvest that year. Coverage begins when the tomatoes are planted and ends the earlier of:

- 1) When the contract is fulfilled;
- 2) Harvesting ends;
- 3) Acreage is abandoned; or
- 4) October 20.

Coverage Levels and Premium Subsidies

The guarantee is the amount of production you choose, measured in tons of tomatoes delivered to a processor. Individual insurance amounts are based on your production history. Your approved average yield is calculated from 4 to 10 years of production records you provide to an insurance agent. You can choose a level of coverage from 50 to 75 percent of your approved average yield and 55 to 100 percent of a price announced by USDA. Catastrophic risk protection coverage (CAT) is based on 50 percent of your approved yield and 55 percent of the price.

Price Election

The price used to calculate an indemnity. An organic price election is available for this crop. Consult a crop insurance agent for the most current price.

Cost of Crop Insurance

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

Loss Example

Assume 70-percent coverage, 100-percent price election of \$68 per ton, an average yield of 40 tons per acre, one basic unit, and 100 percent share.

40	Tons per acre average yield
<u>x .70</u>	Tons level
28	Tons per acre guarantee
<u>- 20</u>	Tons per acre actually produced
8	Tons per acre loss
<u>x 68.00</u>	Price election *
\$ 544.00	Gross indemnity per acre

*Prices used above are for examples only. Contact a crop insurance agent for current information.

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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