United States Department of Agriculture
Risk Management Agency

May 2012

2012 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. You must insure all your 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. Please contact an insurance agent for details.

Causes of Loss

Adverse weather conditions[1]
Failure of irrigation water supply[2]
Fire[3]
Insects[4]
Plant disease[4]
Wildlife

[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]But not damage due to insufficient or improper application of control measures.
[4]Unless weeds and undergrowth are not controlled or un-mulched pruning debris is not removed.

Important Dates

Sales Closing.. January 31
Acreage Report Due.................................... March 1

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.

Coverage Levels and Premium Subsidies

Yields are based on actual production records reported to your insurance agent. You can select a coverage level from 50 to 75 percent of your average yield or Catastrophic Risk Protection (CAT) equal to 50 percent of your approved average yield and 55 percent of the price of each crop.

Price Election

The price used to calculate your premium and indemnity.

Fresh Apricots……………….**$10.95 per lug**
Processing Apricots…...………**$198 per ton**

Fresh Nectarines
Early ………………………......**$9.70 per lug**
Mid…………………………….**$4.70 per lug**
Late…………………………...**$2.75 per lug**

Cling Peaches
Extra Early……………………**$270 per ton**
Non-Extra Early………………**$232 per ton**

Fresh Freestone Peaches
Early …………………………..**$9.00 per lug**
Mid…………………………….**$3.75 per lug**
Late………………………… .**$2.90 per lug**
Processing Freestone……...…..**$166 per ton**

Fresh Plum
Early…………………………**$11.25 per lug**
Mid………………………...….**$6.90 per lug**
Late………………………….…**$6.05 per lug**

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 for an application fee of $30. For more information about coverage and premiums, please contact a crop insurance agent.

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.

Loss Example (Processing Cling Peaches)

Assume 75-percent coverage level and 100-percent of the price election on 25 total acres (105 trees/acre) of Processing Cling Peaches with 100-percent share in the unit. You have 25 acres of type (214) Extra Early with a production guarantee of 20 tons per acre. The price election for the Extra Early type is $270 per ton.

Guarantee
25 acres x 20 tons = 500 ton total guarantee for Extra Early

Hail damage has impacted the Extra Early type. You opt for a harvested appraisal. The canner has a 10-percent hail tolerance and recommends that you not harvest the crop. The harvested production from the representative sample trees grade out at 40 percent hail damage for all deliveries from the harvested appraisal. All deliveries get rejected and a zero value is assigned to the total production delivered. The production from the harvested appraisal is 1500 lbs. The total appraisal weight calculation is 328 tons.

Claim Calculation
Value of Guarantee:
25 acres x 20 tons = 500 ton total guarantee for Extra Early

500 x $270 = **$135,000 value of Guarantee**

Value of Damaged production: 0
Price Election: $270

Quality Adjustment:
($0) – ($79) = $0 ⟸ (Price received for marketable production) – (harvest cost) = on tree value

($0) / ($270) = 0 ⟸ (on tree value) / (price election) = quality adjustment factor (Note = Less than 75 percent of the marketable value of undamaged production)

328 tons x 0 = 0 ⟸ (damaged production) x (quality adjustment factor) = total production-to-count

($135,000) – ($0) = **135,000** ⟸ (value of guarantee) – (production-to-count) = **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

USDA/Risk Management Agency
Davis Regional Office
430 G Street, # 4168
Davis, CA 95616
Telephone: (530) 792-5870
Fax: (530) 792-5893
E-mail: rsoca@rma.usda.gov

Download Copies from the Web

Visit our online fact sheets page at: http://www.rma.usda.gov/aboutrma/fields/ca_rso/