



United States Department of Agriculture
Risk Management Agency

May 2012

2012 COMMODITY INSURANCE FACT SHEET

Sweet Cherries

Utah

Actual Revenue History

Actual Revenue History (ARH) protects you against losses from low yields, low prices, low quality, or any combination of these events. Your coverage is based on your own net revenue history. Your revenue is determined after harvest at the point of first delivery.

Crop Insured

All varieties of sweet cherries are insurable that are adapted to the area; for fresh use only; irrigated; and produced at least 2,000 pounds of cherries per acre in 1 of the 3 crop years before. You must insure all your cherry acreage in the county at the same coverage level.

Counties Available

All counties in Utah

Causes of Loss

- Adverse weather conditions¹
- Failure of irrigation water supply²
- Fire³
- Inadequate market price
- Insects⁴
- Plant disease⁴
- Wildlife

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 undergrowth are not controlled or unmulched pruning debris is not removed.

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

Important Dates

Sales Closing November 20
 Acreage Report Due January 15

Insurance Period

Coverage begins on November 21 (except for the first year). After the first year, continuous coverage begins September 1 and ends in the calendar year in which cherries are:

- 1) Normally harvested, or August 31 for physical damage; or

- 2) January 15 for inadequate price.

Coverage Levels and Premium Subsidies

You can choose coverage levels from 50 to 75 percent. Catastrophic Risk Protection (CAT) coverage is unavailable for this plan. You must select a payment factor from .67 to 1.0. This reduces the amount of insurance without changing the point at which indemnities trigger and reduces premium and indemnity payment amounts.

Cost of Crop Insurance

USDA pays at least 50 percent of the premium and higher coverage levels are subsidized at lower rates. For more detailed information about the amounts of coverage and premiums, please contact a crop insurance agent.

Loss Example

Assume 75-percent coverage, a payment factor of 1.00, an approved revenue of \$5,410 per acre, 100-percent share, and an insurance amount of \$4,058 per acre.

$$\text{\$5,410/acre} * .75 * 1.00 * 1.00$$

You market 3,200 lbs. of fresh cherries per acre and receives \$1.15 per pound net.

\$5,410	Approved Revenue
x .75	Coverage Level
<u>x 1.00</u>	Payment Factor
\$4,058	Amount of Insurance

3,200	Pounds
<u>x \$1.15</u>	Per pound net price
\$3,680	Revenue to count

\$4,058	Amount of Insurance
<u>\$3,680</u>	Revenue to Count
\$378	
<u>x 1.0</u>	Payment Factor
\$378	Indemnity per acre

*Price used above is for example 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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