



United States Department of Agriculture
Risk Management Agency

January 2013

2013 COMMODITY INSURANCE FACT SHEET

Olive Pilot

California

Crop Insured

All commercially grown olives in a county that are grown for table or oil production, with at least 4 years of production records that are irrigated and have met either the minimum age or production requirement.

Counties Available

Insurance is available in Tulare, Tehama, Glenn, Madera, Fresno, Butte, Kern, San Joaquin, Shasta, Stanislaus, and Colusa counties for table olives and in Tulare, Tehama, Glenn, Madera, Fresno, Butte, San Joaquin, Stanislaus, Colusa, Yolo, and Sutter counties for oil olives.

Causes of Loss

Adverse weather conditions¹
Failure of irrigation water supply²
Fire³
Insects⁴
Plant disease⁴
Wildlife
Volcanic Eruption
Earthquake

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 ClosingJanuary 31
Acreage and Production Reports DueMarch 15
Premium Billing August 15

Insurance Period

Coverage is sold 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 that year and the following year.

Coverage Levels and Premium Subsidies

The amount of insurance (guarantee) is determined from your production records. The coverage level and price election remain the same for each year in the 2-year coverage period. Indemnity payments are calculated for each year individually. Approved yields are based on 4 to 10 years of production records and may need to be adjusted if found to be alternate bearing.

You can choose a coverage level from 50 to 75 percent of your approved yield and 55 to 100 percent of the price election.

2013 Price Election

The price used to calculate your premium and indemnity based on the percentage of the established price you have chosen.

Table Olives.....	\$598 per ton
Oil Olives.....	\$14.69 per gallon

Cost of Crop Insurance

Catastrophic Risk Protection (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. You will have to pay a \$30 application fee for higher premium amounts. 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 a 100 percent share in 50 acres each of table and oil olives in the same unit, with a guarantee of 5 tons per acre for the table olives and 200 gallons per acre for the oil olives. The applicable price elections are \$598.00 per ton and \$14.69 per gallon. You are only able to harvest 175 tons of table olives and

produce 7,000 gallons of oil from the oil olives. Your total indemnity for both table and oil olives would be calculated as follows:

Insurance Guarantee

50	Acres
x 5	Tons
250	Tons guarantee
50	Acres
x 200	Gallons
10,000	Gallon guarantee
250	Tons
x 598	Price election
149,500	Dollar guarantee
10,000	Gallon guarantee
x 14.69	Price election
146,900	Dollar guarantee
149,500	Dollar guarantee for table olives
+ 146,900	Dollar guarantee for oil olives
296,400	Total dollar guarantee

Loss Calculation

175	Tons
x 598	Price elections
\$104,650	Value of production
7,000	Gallons
x 14.69	Price election
\$102,830	Value of production
104,650	Production-to-count for table olives
+ 102,830	Production-to-count for oil olives
\$207,480	Total value of production-to-count
296,400	Total dollar guarantee
- 207,480	Total value of production-to-count
\$88,920	Total indemnity payment

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 at all USDA service centers and on the RMA web site at: <http://www3.rma.usda.gov/tools/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

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