



United States Department of Agriculture
Risk Management Agency

October 2008

2009 COMMODITY INSURANCE FACT SHEET

Peaches

Alabama, Florida, Georgia, South Carolina

Crop Insured

The crop insured will be all of the peaches (including nectarines) in the county for which a premium rate is provided by the actuarial documents—

- in which you have a share;
- that are grown on tree varieties that were commercially available when trees were set out;
- are a variety having a chilling hour requirement that is appropriate for the area;
- are grown on a root stock adapted to the area;
- that are grown for the production of fresh or processing peaches;
- that are grown in an orchard that, if inspected, is considered acceptable by us; and
- that are grown on trees that have reached at least the **fourth** growing season after set out.

Note: If the trees have not reached the fourth year, the acreage may still be insurable by written agreement provided the trees have produced at least 100 bushels per acre.

Counties Available

Contact your Insurance Agent for a listing of eligible counties.

Causes of Loss

Adverse weather conditions
 Earthquake
 Failure of irrigation water supply¹
 Fire²
 Insects³
 Insufficient chilling hours
 Plant disease⁴
 Volcanic eruption
 Wildlife⁵

¹If caused by an insured peril during the insurance period. ²Unless weeds and other forms of undergrowth have not been controlled or pruning debris has not been removed from the orchard. ³But not damage due to insufficient or improper application of pest control measures. ⁴But not damage due to insufficient or improper application of disease control measures. ⁵Unless appropriate control measures have not been taken.

Note: We will not insure against damage or loss of production due to split pits, regardless of cause; or inability to market the peaches for any reason other than actual physical damage from an insurable cause.

Insurance Period

Coverage begins on November 21 of the initial year of application (see your crop insurance agent for limitations on the starting date). For each subsequent renewal year, coverage begins on October 1 following the end of insurance on September 30.

Reporting Requirements

Acreage Report—An acreage report is due to your insurance agent by the acreage reporting date to include all acreage (insurable and uninsurable) in the county in which you have a share.

Notice of Loss—(1) Protect the crop from further damage by providing sufficient care; (2) notify your agent within 72 hours of your initial discovery of damage, and (3) if any production will be direct marketed, you must give 15 days notice before any production from the damaged unit is sold unless you have records that verify that the direct marketed production was weighed and graded through a packing shed. See your insurance agent for additional detailed requirements.

Production Report—Required by the production reporting date designated in section 3e of the basic provisions; the report must include tree information such as numbers, ages, varieties; any change that may adversely impact yield potential (such as, tree removal or change in cultural practices); and any other information as required by the policy.

Important Dates

Sales Closing	November 20
Acreage Reporting.....	January 15
Premium Billing	September 15
Cancellation/Termination.....	November 20

Definitions

Bushel— Fifty pounds of peaches (ungraded)

Production Guarantee— Number of bushels guaranteed determined by multiplying your approved yield (based on your records) times the coverage level percentage you elect.

Price Election—The value per unit of measure for the purpose of determining premiums and indemnity under the policy (see your insurance agent for additional pricing information).

Coverage Levels and Premium Subsidies

Coverage level options range from 50 to 75 percent of your approved actual production history (APH) yield. As an example, an approved APH yield of 250 bushels per acre results in a production guarantee of 125 bushels per acre at the 50-percent coverage level. Crop insurance premiums are subsidized as shown in the following table. For example, if you select the 50-percent coverage level, your premium share would be 33 percent of the premium.

Item	Percent					
Coverage Level	50	55	60	65	70	75
Premium Subsidy	67	64	64	59	59	55
Your Premium Share	33	36	36	41	41	45

Catastrophic (CAT) coverage is fixed at 50 percent of your average yield and 55 percent of the price election. CAT is 100 percent subsidized with no premium cost to you. There is, however, an administrative fee of \$300 per crop per county, regardless of the acreage.

Loss Example

This example is based on one acre of peaches with a 65-percent coverage level, 100-percent fresh price election, and an approved APH yield of 300 bushels per acre in Macon County, Georgia.

300	Bushels per acre approved APH yield
<u>x .65</u>	Coverage level percentage
195	Bushels per acre guarantee
<u>- 50</u>	Bushels per acre production
145	Bushels per acre loss
<u>x \$14.50</u>	Price election (fresh)
\$2,102.50	Indemnity per acre

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