

United States Department of Agriculture Risk Management Agency

November 2009

# 2010 COMMODITY INSURANCE FACT SHEET

# Fresh Market Tomatoes (Guaranteed Plan) Alabama, Florida, Georgia, South Carolina

### **Crop Insured**

The crop insured will be all tomatoes in the county for which a premium rate is provided by actuarial documents—

- in which you have a share,
- that have been transplanted for harvest as fresh market tomatoes,
- transplanted within the spring or fall planting period, as applicable,
- that on or before the acreage report date are subject to any written agreement (packing contract) executed between you and a packer,
- that are not grown for direct marketing, and
- that are not inter-planted with another crop or planted into an established grass or legume.

The insured must have grown fresh market tomatoes for commercial sales or have participated in the management of a fresh market tomato farming operation in at least one of the three previous crop years.

# **Counties Available**

Florida	Georgia	South Carolina
Gadsden	Colquitt	Beaufort
Holmes	Decatur	Charleston
Jackson	Grady	Clarendon
Walton	Mitchell	
	Seminole	
	Gadsden Holmes Jackson	GadsdenColquittHolmesDecaturJacksonGradyWaltonMitchell

#### **Causes of Loss**

Adverse weather conditions Disease<sup>1</sup> Earthquake Fire Failure of irrigation water supply<sup>2</sup> Insects<sup>3</sup> Volcanic eruption Wildlife

<sup>1</sup>But not damage due to insufficient or improper application of disease control measures. <sup>2</sup>If caused by an insured peril that occurs during the insurance period. <sup>3</sup>But not damage due to insufficient or improper application of pest control measures.

#### **Insurance Period**

Coverage begins on each unit or part of a unit on the later of the date you submit your application or when the tomatoes are planted. Coverage will end on any insured acreage at the earlier of:

- (1) total destruction of the tomatoes;
- (2) discontinuance of harvest;
- (3) the date harvest should have started on any acreage that was not harvested;
- (4) 120 days after the date of transplanting, or replanting;
- (5) completion of harvest;
- (6) final adjustment of a loss; or
- (7) September 20 (Alabama) or November 10 (Florida, Georgia, or South Carolina) of the crop year.

#### **Reporting Requirements**

Acreage Report—An acreage report is due to your insurance agent by the acreage reporting date. See your insurance agent for detailed requirements. Notice of Loss—see your insurance agent for detailed requirements.

# **Important Dates**

	Sales Closing
Alabama	March 15
Florida	January 31
Georgia	January 31
South Carolina	January 31
See your insurance agent for ad	ditional information.

#### **Definitions**

**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).

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.

**Acre**—Forty-three thousand five hundred sixty (43,560) square feet of land when row widths do not exceed six feet, or if row widths exceed six feet, the land area on which at least 7,260 linear row-feet are planted.

**Carton**—A container that contains 25 pounds of fresh tomatoes unless otherwise provided in the special provisions.

**Cancellation Date**—The calendar date specified in the crop provisions on which coverage for the crop will automatically renew unless canceled in writing by either you or us or terminated in accordance with the policy terms.

**Production Guarantee**—The number of cartons used for calculating liability and for determining indemnity in the case of a loss. The production guarantee per acre is progressive by stages of growth in table below.

Stage	Percent of stage 4 (final stage) production guarantee	Length of Time
1	50	Planting until stage 2
2	75	Earlier of: stakes, one tie, and pruning; or 30 days after planting until stage 3
3	90	Earlier of : end of stage 2; or 60 days after planting until stage 4
4	100	Earlier of 75 days after planting or the beginning of harvest

**Coverage Levels and Premium Subsidies** 

Coverage levels range from 50 to 75 percent of your approved actual production history (APH) yield. For example, an approved yield of 1,000 cartons per acre would result in a guarantee of 650 cartons per acre at the 65-percent coverage level. Crop insurance premiums are subsidized as shown in the following table. For example, if you select the 65- percent coverage level, your premium share would be 41 percent of the base premium.

ltem			Per	cent		
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 except for an administrative fee of \$300 per crop per county, regardless of the acreage.

## **Replant Provisions**

A replanting payment may be allowed if the crop is damaged by an insurable cause of loss and the acreage to be replanted has sustained a loss in excess of 50 percent of the plant stand (see your insurance agent for details).

#### Loss Example

This example is based on one acre of tomatoes in Florida with an approved APH yield of 1,000 cartons per acre, 65-percent coverage level, price election of \$4.55 per carton, production to count of 400 cartons, a loss occurring in the final stage, and 100-percent share.

1,000	Cartons/acre approved APH yield
<u>x .65</u>	Coverage level percentage
650	Cartons/acre production guarantee
<u>x \$ 4.55</u>	Price election
\$2,958	Total guarantee
<u>- \$1,820</u>	Production to count (400 carton x \$4.55
	price election = \$1,820)
\$1,138	Indemnity per acre

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