



United States Department of Agriculture
Risk Management Agency

February 2013

2013 COMMODITY INSURANCE FACT SHEET

Peaches

Alabama, Georgia, South Carolina

Crop Insured

All of your peaches (including nectarines) in a county where a premium rate is provided by the actuarial documents are insurable if:

- You have a share in the peaches;
- They are grown on tree varieties that:
 - 1) Were commercially available when the trees were set out;
 - 2) Are a variety having a chilling hour requirement appropriate for the area; and
 - 3) Are grown on a rootstock adapted to the area;
- They are grown for the production of fresh or processing peaches;
- They are grown in an orchard that, if inspected, is considered acceptable by us; and
- They 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

Talk to your crop insurance agent for a listing of eligible counties.

Causes of Loss

Adverse weather conditions	Insects ³
Earthquake	Plant disease ⁴
Failure of irrigation water supply ¹	Volcanic eruption
Fire ²	Wildlife ⁵
Insufficient chilling hours	

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 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—You must report all acres of the crop, in which you have a share in the county, to your insurance agent by the acreage reporting date.

Notice of Loss—In the event 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) Give 15 days notice before any production from the damaged unit is sold by direct marketing unless you have records that verify that the direct marketed production was weighed and graded through a packing shed.

Production Report - Required by the production reporting date designated in section 3 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).

Important Dates

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

Definitions

Approved Yield—The average of the actual production history (APH) yields, assigned or adjusted yields, or unadjusted transitional yields that your insurance company calculates and approves.

Bushel— Fifty pounds of ungraded peaches.

Direct Marketing—The sale of the insured crop directly to consumers without the intervention of an intermediary such as a wholesaler, retailer, packer, processor, shipper, or buyer.

Fresh Peach Production -

Peach production from insurable acreage that:

- 1) Is sold or could be sold, for human consumption, without undergoing change in the basic form, such as peeling, juicing, crushing;
- 2) Grades at least U.S. Extra No. 1 or better and consists of a 2-1/4 inch minimum diameter;
- 3) Is shown as fresh peaches on the acreage report;
- 4) Follows the recommended cultural practices generally in use for fresh peach acreage in the area in a manner generally recognized by agricultural experts;
- 5) You certify that at least 50 percent of the production was sold as fresh peaches in one or more of the four most recent crop years; and
- 6) Is sold or could have been sold for a price that is not less than the fresh peach price election.

Price Election—The value per bushel for the purpose of determining premiums and indemnity under the policy. Price elections are posted on the RMA web site at: <http://webapp.rma.usda.gov/apps/ActuarialInformationBrowser/>.

Processing Peach Production -

Peaches from insurable acreage that are:

- 1) Sold, or could be sold, for peeling, juicing or crushing;
- 2) From acreage designated as processing peaches on the acreage report.

Production Guarantee— Bushels guaranteed per acre determined by multiplying your approved yield by the coverage level percentage you elect.

Coverage Levels and Premium Subsidies

Coverage levels range from 50 to 75 percent of your approved yield. For example, an approved yield of 250 bushels per acre results in a guarantee of 175 bushels per acre at the 70-percent coverage level. Crop insurance premiums are subsidized as shown in the following table. For example, if you select the 70-percent coverage level, your premium share would be 41 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 approved 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

Assume 65-percent coverage level, 100-percent price election of \$16.75 per bushel for fresh peach production, 100-percent share, 300 bushels per acre approved actual production history (APH) yield, and 50 bushels production-to-count due to an insurable cause of loss on a one-acre unit.

300	Approved APH yield, bushels
<u>x .65</u>	Coverage level percentage
195	Production guarantee, bushels
<u>- 50</u>	Production-to-count, bushels
145	Loss, bushels
<u>x 16.75</u>	Price election (fresh)
\$ 2,429	Indemnity per acre

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: <http://www3.rma.usda.gov/tools/agents/>

Regional Contact

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