United States Department of Agriculture
Risk Management Agency

February 2009

2009 COMMODITY INSURANCE FACT SHEET

Onions

Michigan

Crop Insured

The crop insured will be onions planted for harvest as storage (dry) onions, excluding green (bunch) or seed onions, chives, garlic, leeks, and scallions.

Causes of Loss

Adverse weather conditions
Earthquake
Failure of irrigation water supply, if applicable, due to an unavoidable cause of loss occurring within the insurance period
Fire
Insects*
Plant disease*
Volcanic eruption
Wildlife

All specified causes of loss must be due to a naturally occurring event.
*But not damage due to insufficient or improper application of pest or disease control measures.

Excluded Causes of Loss

Production loss that occurs after the end of the insurance period including, but not limited to, losses that occur after onions have been placed in storage.

Insurance Period

Coverage begins on each unit or part of a unit when the onions are planted and ends at the earliest of: (1) total destruction of the onions on the unit; (2) fourteen days after lifting or digging of the onions; (3) removal of the onions from the field; (4) final adjustment of a loss on a unit; or (5) October 15.

Reporting Requirements

Acreage Report—You must report to your insurance provider all acreage of the insured crop in the county in which you have a share, the practice, and your share at the time of planting.

Important Dates

Sales Closing .... February 1
Final Planting ....May 15
Acreage Report... July 15
Cancellation .... February 1

Definitions

Production Guarantees - Number of hundredweight (cwt) guaranteed per acre, determined by multiplying your average yield per acre times the coverage level percentage you elect. Yields are based on actual production history (APH) records reported to your insurance provider.

Coverage Levels and Premium Subsidies

The onion policy guarantees a certain amount of production, depending on the level of coverage selected. Crop insurance premiums are subsidized as shown below. For example, if you select the 75-percent coverage level, the premium subsidy is 55 percent and your premium share is 45 percent of the base premium.

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

The total cost for CAT coverage will be an administrative fee of $300 per crop per county, regardless of the acreage. All other coverage levels require a $30.00 administrative fee.

Price Elections

Price at which you are compensated per cwt in the event of a loss, based on the percentage of established price you have selected. Price election percentage choices for this crop year are 55 percent to 100 percent of the price shown below.

Established Price:
$7.70 per cwt

Replant Provisions

A replanting payment is available if we determine it is practical to replant on a unit and our appraisal does not exceed 90 percent of your final stage guarantee, and you replant at least 20 acres or 20 percent of the unit. The replanting payment will be the lesser of 7 percent of the final stage production guarantee or 18 cwt multiplied by your price election, multiplied by your share. Replant payments are **not available** on the Catastrophic Risk Protection Endorsement.

Late and Prevented Planting

These provisions provide protection on eligible acreage that is planted late or that cannot be planted by the final planting date or within the 25 day late-planting period. Prevented planting coverage will be 45 percent of the production guarantee for timely planted acreage. Please consult your crop insurance provider for further details

Loss Example

A loss occurs when the crop value falls below the guaranteed cwt amount as a result of damage from a covered cause of loss. This example assumes the 65-percent coverage level, a 100-percent price election of $7.70, an average APH yield of 300 cwt per acre with .667 share.

APH yield x coverage level x unit acres - production x price election x share

300	cwt APH yield
x .65	Coverage level
195	cwt per acre guarantee
x 100	Acres
19,500	cwt unit guarantee
- 16,500	cwt production
3,000	cwt loss
x $7.70	Price election
$23,100	Unit indemnity
x .667	Share
$15,408	**Final indemnity**

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