



United States Department of Agriculture
Risk Management Agency

February 2010

2010 COMMODITY INSURANCE FACT SHEET

Peaches

Illinois Michigan

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.

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.

Insurance Period

Insurance attaches for each crop on November 21 and ends the earliest of: (1) total destruction of the crop; (2) harvest of the crop; (3) the date harvest of peaches should have ended, as determined by us; (4) final adjustment of a loss; or (5) September 30.

Reporting Requirements

Acreage Report - An acreage report is due to your agent and includes all acreage (insurable and uninsurable) in which you have a share.

Important Dates

Sales Closing	November 20
Acreage and Production Report	January 15
Cancellation	November 20

Definitions

Production Guarantees - Number of bushels guaranteed per acre determined by multiplying your approved 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 peach 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

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

Established Prices:

	<u>Illinois</u>	<u>Michigan</u>
Fresh	\$21.75	\$13.50
Processing	\$ 3.85	\$ 6.75

Loss Example

A loss occurs when the crop production falls below the guaranteed bushel amount as a result of damage from a covered cause of loss. This example assumes 65-percent coverage level and a Michigan 100-percent price election of \$13.50 (fresh), and an average APH yield of 100 bushels per acre with .667 share.

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

100	Bushels APH yield
x .65	Coverage Level
65	Bushels per acre guarantee
x 100	Acres
6,500	Bushels unit guarantee
- 1,200	Bushels production
5,300	Bushels loss
x \$13.50	Price election
\$71,550	Unit indemnity
x .667	Share
\$47,724	Final indemnity

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