



United States Department of Agriculture
Risk Management Agency

February 2013

2013 COMMODITY INSURANCE FACT SHEET

Processing Tomatoes

Indiana Michigan Ohio

What crop is insurable?

You can insure processing tomatoes:

- which are planted for harvest as processing tomatoes,
- for which premium rates are provided,
- in which you have a share,
- that are grown under, and in accordance with, a processor contract,
- that are not grown on land where tomatoes were grown in either of the previous two crop years, unless you have a written agreement.

When am I protected by insurance?

Insurance coverage begins at the later of:

- the date your application is accepted, or
- the date you plant the tomatoes.

Insurance coverage ends at the earliest of:

- total destruction of the crop,
- the date the crop should have been harvested,
- abandonment of the crop,
- final adjustment of a loss,
- the date the processor contract is fulfilled, or
- October 10.

What am I protected against?

You are protected against the following:

- Adverse weather
- Failure of irrigation water supply
- Fire
- Insect damage and/or plant disease*
- Wildlife

*Unless you have insufficiently or improperly applied pest or disease control measures.

What am I NOT protected against?

You are not protected against damage from the following causes of loss:

- failure to follow the requirements in the processor contract, or

- bypassing acreage because of the breakdown of equipment or facilities or the availability of a crop insurance payment.

What dates should I be aware of?

Sales Closing	March 15
Final Planting	June 15
Acreage Report.....	July 15
Cancellation.....	March 15

What am I required to report?

You must report all of your processing tomato acreage, production and any losses, when evident, to your insurance agent. You must also provide a copy of all processor contracts.

How much of my premium is subsidized?

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

What are my coverage options?

Actual Production History (APH): The only plan of insurance available for processing tomatoes. You choose the amount of your average yield you wish to insure (50-75%) and the percent of the RMA predicted price (from 55-100%). If your production falls below the yield insured, you are paid a loss.

How can I insure my acreage?

Basic Unit: Includes all of your insurable processing tomato acreage in the county by share arrangement. Premiums are reduced 10 percent for a basic unit.

Optional Unit: If a basic unit consists of two or more sections of land, and you meet record keeping requirements, you may apply for optional units by section. The 10-percent premium discount will not apply.

What price will I get if I have a loss?

Price Election: The price you are paid per bushel if you have a loss. This is based on the percentage of the established price you chose. For the 2013 crop year, you may choose 55 percent to 100 percent of the established price.

Established Price: \$94.00

Once you have decided on your price election, the price you are paid for a loss depends on the stage of the plant. Stages are determined on a per acre basis. The stages and price elections are as follows:

- First stage (planting until first fruit set) uses 50 percent of your price election
- Second stage (first fruit set until harvest) uses 80 percent of your price election
- Third (final) stage (harvested acreage) uses 100 percent of your price election

What if I am unable to plant or need to replant?

Practical to Replant: Your company will determine if it is practical to replant. The processor must agree **in writing** that it will accept production from replanted acreage before your company can determine it is practical to replant.

Replant Provisions:

You may receive a replanting payment if:

- the crop sustained a loss exceeding 50 percent of the plant stand, and
- it is practical to replant.

Your replanting payment will be the lesser of:

- the amount shown on the special provisions, multiplied by your share,
- 20 percent of the production guarantee, or
- three tons times your final stage price election, multiplied by your share.

Late and prevented planting provisions **do not apply**.

Loss Example

You have a loss when your crop production falls below your guaranteed ton amount. This example assumes a final stage loss with 65-percent coverage level, a price election of \$94.00 and an average yield of 22 tons per acre with 100-percent share.

	22	Tons APH yield
x	.65	Coverage level
	14.3	Tons per acre guarantee
x	70	Acres
	1,001	Tons unit guarantee
-	300	Tons production
	701	Tons loss
x	\$94.00	Price election
	\$65,894	Unit indemnity
x	1.000	Share
	\$65,894	Final Indemnity

Where can I get a policy?

You can buy a crop insurance policy from approved participating insurance agents. You can get a list of agents at any USDA service center or on the RMA web site: <http://www3.rma.usda.gov/apps/agents/>.

Regional Contact

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