

Springfield Regional Office — Springfield, IL

Revised October 2013

Actual Revenue History Processing Tart Cherry Pilot Michigan

Crop Insured

You can insure processing tart cherries if:

- Grown on acreage that has produced at least 3,900 pounds per acre in 1 of the 5 previous crop years;
- Are varieties adapted to the area;
- Are irrigated or non-irrigated; and
- Grown in an orchard that is considered acceptable.

Counties Available

Processing tart cherries are insurable in Allegan, Antrim, Benzie, Berrien, Charlevoix, Grand Traverse, Kent, Leelanau, Manistee, Mason, Muskegon, Newaygo, Oceana, and Van Buren counties.

Causes of Loss

- Adverse weather conditions;
- Failure of irrigation water supply during the insurance period;
- Fire unless you have not controlled weeds and other undergrowth or if you have no removed pruning debris from the orchard;
- Inadequate market price;
- Plant disease and insects unless you have insufficiently or improperly applied pest or disease control measure; or
- Wildlife.

Insurance Period

For the first crop year, coverage begins the later of:

- 10 days after the application is received; or
- November 21, 2013.

For all other crop years, coverage begins on September 1.

Physical damage coverage ends at the earliest occurrence of one of the following:

- Total destruction of the crop;
- Harvest of the unit;
- Final adjustment of a loss;
- Abandonment of the crop; or

- August 31, 2014.

For revenue loss, due to an inadequate market price, coverage ends January 15, 2015 following harvest.

Important Dates

Sales Closing Date.....	Nov 20, 2013
Revenue Reporting Date.....	Jan 15, 2014
Acreage Reporting Date.....	Jan 15, 2014
Premium Billing Date.....	Aug 15, 2014

Reporting Requirements

Revenue Report - You must submit revenue reports to your agent by the revenue reporting date. These reports must:

- Contain insurable acreage for each crop year reported, including your share;
- Contain production harvested, sold, and any appraised production;
- Contain the amount of your revenue from sales; and
- Be supported by written, verifiable records, measurement of stored production, or other approved records.

Acreage Report - You must report all of your acreage to your insurance agent by the acreage reporting date. You must notify your agent of any losses, in writing, when evident.

Definitions

Annual Revenue - The average revenue, per insured acre, is based on a 100-percent share equivalent for a crop year. It is calculated from the records you submit and indemnity claims that you sign (if applicable). Any costs you may have for cooling, sorting, culling, packing, or any other activities that occur after the production has been harvested and delivered cannot be included in the annual revenue.

Inadequate Market Price - A price that results in annual revenue less than your insurance amount, per acre.

Expected Revenue Factor - A value RMA determines reflecting the likely revenue, per acre, with a normal yield and an anticipated price. A factor is used to adjust your approved revenue when the amount of insurance, per acre, is determined.

Payment Factor - The percentage of the price that you receive in the event of a loss. You choose the payment factor.

10	Acres
x \$1,350	Total value per acre
\$13,500	Total insurance amount
\$13,500	
- \$4,000	Revenue
\$9,500	Difference
x 0.85	Payment Factor
\$8,075	Indemnity Due to You

Coverage Levels and Premium Subsidies

Crop insurance premiums are subsidized as shown in the following table. For example if you choose 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 Premium Share	33	36	36	41	41	45

Catastrophic Risk Protection coverage is not available for the ARH Pilot Processing Tart Cherry program.

Insurance Plans

Actual Revenue History (ARH) - The production guarantee is based on your individual revenue history. This is the only insurance plan available for processing tart cherries.

Loss Example

Assume 100-percent share in 10 acres of tart cherries and a single unit. You certify revenue at \$1,800 per acre and RMA provides an expected revenue factor of 1.00. You chose the 75-percent coverage level and a payment factor of 85 percent.

1,800	Certified revenue
x 1.00	Percent share
\$1,800	
x 0.75	Coverage level
\$1,350	
x 1.00	Revenue factor
\$1,350	Total value per acre
x 0.85	Payment factor
\$1,148	Total liability per acre

You harvest a normal crop, but an inadequate market price causes your revenue to be only \$4,000. The indemnity is calculated as:

Where to Buy Crop Insurance

You can buy a crop insurance policy from an approved participating insurance agent. A list of crop insurance agents is available at all USDA service centers and on the RMA web site at: www3.rma.usda.gov/apps/agents/.

Contact Us

USDA/RMA
 Springfield Regional Office
 3500 Wabash Ave.
 Springfield, IL 62711
Phone: (217) 241-6600
Fax: (217) 241-6618
E-mail: rsoil@rma.usda.gov

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