

## Springfield Regional Office — Springfield, IL

Revised September 2014

# Actual Revenue History Sweet Cherry Pilot Michigan

### Crop Insured

Cherries are insurable if:

- They are grown on acreage that has produced at least 4,000 pounds per acre in 1 of the 5 previous crop years;
- Varieties are adapted to the area;
- They are grown for fresh or processing cherry production;
- They are grown in an orchard that is considered acceptable; and
- Not directly marketed, unless you notify your agent at least 15 days before your cherries are sold by direct marketing.

### Counties Available

Sweet cherries are insurable in Antrim, Benzie, Grand Traverse, Leelanau, Manistee, Mason, and Oceana counties.

### Causes of Loss

You are protected against the following:

- Adverse weather;
- Failure of irrigation water supply;
- Fire, unless you have not controlled weeds and other undergrowth or if you have not removed pruning debris from the orchard;
- Inadequate market price;
- Insect damage and/or plant disease, unless you have insufficiently or improperly applied pest or disease control measures; or
- Wildlife.

### Insurance Period

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

- 10 days after your application is received; or
- November 21, 2014.

For carryover policies, coverage begins on the day immediately following the end of the insurance period for the prior crop year.

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

- Total destruction of the crop;
- Harvest of the crop;
- Final adjustment of a loss;
- Abandonment of the crop; or
- August 31, 2015.

For revenue loss, due to an inadequate market price, coverage ends January 15, 2016.

### Important Dates

Sales Closing/Cancellation .....November 20, 2014  
Revenue Report.....January 15, 2015  
Acreage Report ..... January 15, 2015

### 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;
- Be separated by type;
- 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** - Your average revenue per insured acre, based on a 100-percent share equivalent for a crop year. It is calculated from the records you submit and indemnity claims you sign.

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

**Expected Revenue Factor** - Your likely revenue per acre with a normal yield and an anticipated price.

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

### Coverage Levels and Premium Subsidies

Crop insurance premiums are subsidized as shown in the following table. 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 Premium Share	33	36	36	41	41	45

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

### Coverage Options

**Actual Revenue History (ARH)** - The only insurance plan available for sweet cherries. Your production guarantee is based on your individual revenue history.

### Loss Example

Assume 100-percent share in 10 acres of sweet cherries and a single unit. You certify revenue at \$3,500 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.

3,500	Certified revenue
x 1.00	Percent share
\$3,500	Revenue per acre
x 0.75	Coverage level
\$2,625	Revenue coverage per acre
x 1.00	Revenue factor
\$2,625	Total value per acre
x 0.85	Payment factor
\$2,231	<b>Total liability per acre</b>

You harvest a normal crop, but an inadequate market price causes your revenue to be only \$17,500.

Your payment is calculated as:

10	Acres
x \$2,625	Total value per acre
\$26,250	Total insurance amount
\$26,250	Total insurance amount
- \$17,500	Revenue
\$8,750	Difference
x 0.85	Payment Factor
\$7,438	<b>Final payment</b>

### 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 website at: [www3.rma.usda.gov/apps/agents/](http://www3.rma.usda.gov/apps/agents/).

### Contact Us

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