



United States Department of Agriculture
Risk Management Agency

November 2010

2011 COMMODITY INSURANCE FACT SHEET

Peaches

Colorado

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 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.

Counties Available

Peaches are insurable in the following Colorado Counties: Delta, Mesa, and Montrose.

Coverage in other counties may also be available by individual written agreement if certain criteria are met, including records for at least three years of production history.

Causes of Loss

Adverse weather conditions
Earthquake
Failure of irrigation water supply, if caused by an insured peril that occurs during 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 insured crop; (2) harvest of the insured crop; (3) final adjustment of a loss on a unit; (4) September 30; or (5) abandonment of the insured crop.

Reporting Requirements

Acreage Report — A report of all your peaches acreage in the county is due to your crop insurance agent by the Acreage Reporting Date.

Important Dates

Sales Closing.....	November 20, 2010
Production Report.....	January 15, 2011
Acreage Report.....	January 15, 2011
Cancellation.....	November 20, 2010

Definitions

Leaf Year - To determine leaf year subtract the set out year from the calendar year of insurance (or APH crop year for the yield substitution purposes), then add one year.

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.

Set Out Year - The set out year for APH reporting purposes is the actual calendar year for acreage planted before July 1st. For acreage planted on or after July 1st, the set out year shall be the year following the calendar year in which set out actually occurred.

Coverage Levels and Premium Subsidies

The peaches 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.

Subsidy Factor	Percent						
Coverage Level	CAT	0.50	0.55	0.60	0.65	0.70	0.75
Basic Unit	1.000	0.670	0.640	0.640	0.590	0.590	0.550
Optional Unit		0.670	0.640	0.640	0.590	0.590	0.550

Catastrophic Coverage

Catastrophic coverage (CAT) is available at 50 percent of your APH yield and 55 percent of the established price election. The total cost for CAT coverage will be an administrative fee of \$300 per crop per county, regardless of the acreage. Administrative fees, in addition to premium costs, for coverage levels above CAT are \$30 per crop per county.

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. The established price for peaches in Colorado is \$27.75.

Insurance Units

Basic Unit: A basic unit includes all of your insurable peaches acreage in the county by share arrangement.

Optional Unit: If a basic unit consists of two or more sections of land, and certain record keeping requirements are met, you may apply for optional units by section.

Loss Example

A loss occurs when the crop production falls below the guaranteed bushels amount as a result of damage from a covered cause of loss. This example assumes a final stage loss at the 65-percent coverage level, a 100 percent price election of \$27.75, and an approved APH yield of 100 bushels per acre.

(APH yield x coverage level x unit acres - production x price election)

100	bushels per acre APH yield
<u>x .65</u>	coverage level
65	bushels per acre guarantee
<u>x 100</u>	acres
6,500	bushels per acre unit guarantee
<u>- 4,500</u>	harvested production
2,000	bushels loss
<u>x \$27.75</u>	price election
\$55,500	unit indemnity
<u>x 1.000</u>	share
\$55,500.00	Final indemnity

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