



United States Department of Agriculture  
Risk Management Agency

February  
2013

## 2013 COMMODITY INSURANCE FACT SHEET

# Potatoes

## Colorado

### Crop Insured

Potatoes are insurable if:

- They are all the irrigated potatoes planted in the county;
- Premium rates are provided;
- You have a share;
- Planted with certified seed;
- In Alamosa, Conejos, Costilla, Rio Grande, and Saguache counties, acreage planted using non-certified seed is insurable only if the seed stock is two years or less removed from certification;
- Coverage is under an endorsement, acreage must be planted with certified seed;
- Planted for harvest as certified seed stock, or for human consumption. Other potatoes are not insurable unless a written agreement provides for such insurance; or
- They are not:
  - \* Interplanted with another crop; or
  - \* Planted into an established grass or legume.

Potatoes are not insurable if they are:

- Varieties of the fingerling type, unless provided by written agreement;
- Planted on any acreage on which potatoes, sugar beets, or sunflowers were planted the preceding crop year in Morgan, Washington, Weld, and Yuma counties; or
- Planted on any acreage on which potatoes were planted in each of the two preceding crop years in Alamosa, Conejos, Costilla, Rio Grande, and Saguache counties.

Contact a crop insurance agent for more details.

### Counties Available

Potatoes are insurable in the following counties: Alamosa, Conejos, Costilla, Morgan, Rio Grande, Saguache, Washington, Weld, and Yuma.

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<sup>1</sup>  
Failure of irrigation water supply<sup>2</sup>  
Fire<sup>3</sup>  
Insects<sup>4</sup>  
Plant disease<sup>4</sup>  
Wildlife

<sup>1</sup>Including hail, frost, freeze, excess precipitation, and drought.

<sup>2</sup>If caused by an insured cause of loss within the insurance period.

<sup>3</sup>If due to natural causes.

<sup>4</sup>But not damage due to insufficient or improper application of pest or disease control measures.

### Insurance Period

Coverage begins on the later of the date:

- 1) We accept your application; or
- 2) When the potatoes are planted.

Coverage ends the earliest of:

- (1) total destruction of the crop;
- (2) Abandonment of the crop;
- (3) Harvest of the unit;
- (4) Final adjustment of a loss; or
- (5) October 15.

### Reporting Requirements

**Acreage Report**—You must give a report of all your potato acreage in the county by the acreage reporting date.

### Important Dates

|                                       |            |
|---------------------------------------|------------|
| Sales Closing/Cancellation Date ..... | March 15   |
| Final Planting Date .....             | May 31     |
| Acreage Report Date .....             | July 15    |
| Premium Billing Date .....            | August 15  |
| End of Insurance.....                 | October 15 |

## Coverage Levels and Premium Subsidies

Potatoes may be insured at the coverage levels shown in the table below. Crop insurance premiums are subsidized as shown. For example, if you select the 75-percent coverage level, your coverage will be 75 percent of your approved APH yield, 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 | 0.67    | 0.64 | 0.64 | 0.59 | 0.59 | 0.55 |  |
| Optional Unit  |       | 0.67    | 0.64 | 0.64 | 0.59 | 0.59 | 0.55 |  |

## 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

Price of compensation per cwt. in case of loss:

Established prices:

\$9.60 cwt (Alamosa, Conejos, Costilla, Rio Grande, Saguache) .

\$9.70 cwt (Morgan, Washington, Weld, Yuma)

## Insurance Units

**Basic Unit:** A basic unit includes all of your insurable potato 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 certain record keeping requirements are met, you may apply for optional units by section. The 10-percent premium discount will not apply.

## Options

**Available under the Northern Potato Crop Provisions**  
**Not available under catastrophic coverage**

**Quality Endorsement:** Provides supplemental coverage for potatoes in the event they grade less than U.S. No. 1 or U.S. No. 2 better.\*

**Certified Seed Endorsement:** Provides supplemental coverage for potatoes in the event they do not pass certification by the state administered certified seed program.\*

**Storage Coverage Endorsement:** Provides supplemental coverage for 60 days for potatoes in storage.\*

**Processing Quality Endorsement:** Provides supplemental coverage for potatoes that are rejected by the processor. The quality endorsement and a processor contract must be in effect before this endorsement can be purchased. Not available in all Colorado counties.\*

\*Additional premium is charged if this endorsement is selected.

## Plans of Insurance

Actual Production History (APH) is the only plan of insurance available for potatoes.

## Late and Prevented Planting

The late planting period begins the day after the final planting date (May 31) and ends 25 days after the final planting date.

Your prevented planting coverage will be 25 percent of your production guarantee for timely planted acreage. If you pay an additional premium, you may increase your prevented planting coverage to a level specified in the actuarial documents. Please consult a crop insurance agent for details.

## Loss Example

A loss occurs when the hundredweight (cwt.) of potatoes produced for the unit falls below the production guarantee as a result of damage from a covered cause of loss. This example assumes a 400 cwt. per acre APH yield, 65-percent coverage level, 100 percent of the \$9.70 cwt established price, and basic unit coverage.

$$\begin{array}{r} 400 \text{ cwt. per acre APH yield} \\ \times .65 \text{ coverage level} \\ \hline 260 \text{ cwt. guarantee*} \\ - 100 \text{ cwt. per acre actually produced} \\ \hline 160 \text{ cwt. per acre loss} \\ \times \$9.70 \text{ price election} \\ \hline \$1,552.00 \text{ gross indemnity*} \end{array}$$

\*Figures shown on a per acre basis; guarantees and losses paid are on a unit basis. See policy provisions.

## Where to Buy Crop Insurance

All multi-peril crop insurance, including CAT policies, are available from private insurance agents. A list of crop insurance agents is available on the RMA Web site at:

<http://www3.rma.usda.gov/apps/agents/>

## Regional Contact

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