

## St. Paul Regional Office — St. Paul, MN

Revised September 2013

# Actual Revenue History Processing Tart Cherry Pilot Wisconsin

## Crop Insured

All the tart cherries for processing in the county for which a premium rate is provided by the actuarial documents in which you have a share, that are of varieties (scion and rootstock) adapted to the area, and that are grown in an orchard that meets the conditions of insurability contained in the Special Provisions and that, if inspected, are considered acceptable by us.

## Counties Available

Tart cherries are insurable only in Door County.

## Causes of Loss

- Adverse weather conditions such as natural perils of hail, frost, freeze, wind, drought, and excess moisture;
- Failure of irrigation water supply, if caused by an insured peril during the insurance period;
- Fire, if due to natural causes unless the undergrowth or pruning debris is not controlled or removed;
- Inadequate market price on sold tart cherries for processing that are valued with the annual price procedure.
- Plant disease and insects, but not damage due to insufficient or improper application of pest or disease control measures or no pesticides effective on insect or plant disease are registered with the EPA and labeled for the use on cherries; or
- Wildlife.

## Insurance Period

Insurance coverage begins on the later of:

- Date we accept your application; or
- November 21;

and ends with the earliest occurrence of one of the following:

- 1) Total destruction of the crop;
- 2) Harvest of the unit;
- 3) Final adjustment of a loss;
- 4) Abandonment of the crop; or
- 5) August 31.

In addition, the calendar date for the end of the insurance period for the loss of revenue due to an inadequate market price is January 15 following harvest.

## Important Dates

Sales Closing Date .....	Nov 20, 2013
Insurance Begins .....	Nov 21, 2013
Revenue Reporting Date .....	Jan 15, 2014
Acreage Reporting Date .....	Jan 15, 2014
Premium Billing Date .....	Aug 15, 2014
Insurance Ends at harvest or .....	Aug 31, 2014
Insurance Ends - Revenue Loss.....	Jan 15, 2015

## 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.

**Base Period** - The number of crop years included on your acreage, production, and revenue reports. The number of crop years cannot exceed 10 consecutive crop years before the crop year that the approved revenue is being established.

**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** - A percentage, expressed in decimals, that you may choose to reduce the premium and the indemnity amount that otherwise would be calculated. The default value is 1.00. The value you choose must be greater than or equal to the minimum factor specified below but not greater than 1.00.

## Coverage Levels and Premium Subsidies

Tart cherries 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 revenue, the premium subsidy is 55 percent, and your premium share is 45 percent of the base premium. Administrative fees and premium costs are \$30 per crop per county.

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

### Unit Division

**Basic Unit (BU)** - A basic unit includes all of your insurable tart cherry acreage in the county by share arrangement and type. Premiums are reduced 10 percent for a basic unit.

**Optional Unit (OU)** - Optional units may be established only for tart cherry acreage located on non-contiguous land, separated by tracts of other ownership. Optional units are not allowed by section, section equivalent, Farm Service Agency farm serial number, or for irrigated or non-irrigated practices. The 10-percent premium discount does not apply.

### Revenue Certification and Acceptability

Revenue reports must:

- 1) Contain the planted acreage for annual crops and insurable acreage for perennial crops for each crop year;
- 2) Identify production harvested, production sold, and any appraised production;
- 3) Identify the revenue realized from sales of a crop; and
- 4) Be supported by written, verifiable records, measurement of farm stored production, or other records approved by the Federal Crop Insurance Corporation.

### Minimum Production Requirements

Tart cherries grown on acreage that has produced at least 2,100 pounds per acre in 1 of the 5 previous crop years.

### Insurance Plans

The Actual Revenue History (ARH) plan is the only insurance plan available for tart cherries. The production guarantee is based on your individual revenue history. Catastrophic Risk Protection (CAT) coverage is not available.

### Loss Example

Assume 100-percent share in 10 acres of tart cherries and a single unit. You certify revenue for 5 of the most recent crop years at \$900 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.

	\$900	Certified revenue
x	0.75	Coverage level
x	1.00	Revenue factor
x	0.85	Payment factor
	\$574	Total amount of liability per acre

	\$900	Certified revenue
x	0.75	Coverage level
x	1.00	Revenue factor
	\$675	Total expected value per acre

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

	10	Acres
x	\$675	Total expected value per acre
	\$6,750	Total amount of insurance
-	\$4,000	Revenue to Count
	\$2,750	Difference
x	0.85	Payment Factor
	\$2,338	Indemnity Due to Policyholder

### 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 at all USDA service centers and on the RMA web site at: [www3.rma.usda.gov/apps/agents/](http://www3.rma.usda.gov/apps/agents/).

### Contact Us

USDA/RMA  
St. Paul Regional Office  
30 7th Street East, Suite 1890  
St. Paul, MN 55101  
**Phone:** (651) 290-3304  
**Fax:** (651) 290-4139  
**E-mail:** [rsomn@rma.usda.gov](mailto:rsomn@rma.usda.gov)

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