



United States Department of Agriculture
Risk Management Agency

January 2006

2006 COMMODITY INSURANCE FACT SHEET

Cherry Pilot Crop

Montana

Crop Insured

The insured crop is all irrigated sweet cherries in the county, grown and intended for fresh market, in which the producer has a share, that are varieties adapted to the area, that have reached the minimum age and production requirements, and for which a premium rate is provided by the actuarial table.

Counties Available

Lake

Causes of Loss

Adverse weather conditions
Failure of irrigation water supply¹
Fire³
Insects²
Plant disease²
Wildlife

¹If caused by an insured cause of loss.

²But not due to insufficient or improper application of control measures.

³Unless undergrowth or pruning debris is not controlled or removed.

Insurance Period

Insurance attaches on the later of the date we accept your application or the date the insured crop is planted and ends the earliest of: 1) total destruction of the crop, 2) August 31, 3) harvest, 4) abandonment of the crop, 5) final adjustment of a loss.

Reporting Requirements

Acreage Report—You must report all acreage of your cherries both insured and uninsured.

Important Dates

Sales Closing..... November 20

Insurance Begins..... November 21

Production Reporting Date..... January 04

Acreage Reporting Date..... January 15

Duties in the Event of Damage or Loss

- (1) Protect the crop from further damage by providing sufficient care;
- (2) Notify your agent within 72 hours of your initial discovery of damage (but not later than 15 days after the end of the insurance period)
- (3) You cannot destroy or put the crop to another use without our prior approval.

Coverage Levels/Amounts of Insurance and Premium Subsidies

CAT 27.5%	\$794/acre
Buy up 50%	\$1,443/acre
Buy up 55%	\$1,587/acre
Buy up 60%	\$1,731/acre
Buy up 65%	\$1,876/acre
Buy up 70%	\$2,020/acre
Buy up 75%	\$2,163/acre

Crop insurance premiums are subsidized as shown in the following table. For example, if you select the 75 percent coverage level, your premium share would be 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

The cost for catastrophic (CAT) coverage is an administrative fee of \$100, regardless of the acreage.

Insurance Units

Your insurable acreage will be grouped into one or more units in order to establish the approved yield, calculate a guarantee, and determine any indemnity.

Basic Unit: A basic unit includes all of your cherry acreage in the county by share arrangement. Premiums are reduced by 10 percent for a basic unit.

Optional Units: In addition to the requirements of section 34(c) of the basic provisions, optional units may be established if each optional unit is located on non-contiguous land, unless limited by the special provisions. The 10-percent discount will not apply.

Minimum Age/Production Requirement

Trees must have completed 4 growing seasons after being set out or grafted.

and

Produced at least 4,000 pounds of fruit/acre.

Minimum Value Options

These options may be selected for additional protection against low prices.

Minimum Value Option I: \$0.17/lb.

Minimum Value Option II: \$0.09/lb.

An additional premium applies.

The standard minimum value is \$0.26/lb.

Administrative Fees

Catastrophic (CAT) Coverage: \$100/crop/county
No additional insurance premium is charged).

Buy Up Coverage: \$30/crop/county
An additional insurance premium is charged.

Loss Example

Based on \$2,163 per acre coverage election, 10 acre orchard, minimum value = \$0.26 per pound, allowable cost = \$0.20 per pound, one basic unit. Production to count = 1,000 pounds per acre, \$0.45 per pound net received from packer.

$\$2,163 \text{ per acre} \times 10 \text{ acres} = \$21,630 \text{ liability}$

Net received = \$0.45 per pound. - \$0.20 allowable cost = \$0.25 (therefore minimum value of \$0.26 is used)

$\$0.26 \times 10,000 \text{ pounds.} = \$2,600 \text{ crop value}$

$\$21,630 - \$2,600 = \mathbf{\$19,030 \text{ Indemnity Payment.}}$

Your premium will be deducted from an indemnity payment.

Regional Contact for RMA

Billings Regional Office

3490 Gabel Road Suite 100

Billings, MT 59102-7302

Phone: 406-657-6447

Download Copies from the Web

Visit our online publications/fact sheets page at:
http://www.rma.usda.gov/aboutrma/fields/mt_rso/

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation, and marital or familial status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at 202-720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.

Fax: 406-657-6573