



United States Department of Agriculture  
Risk Management Agency

January 2006

## 2006 COMMODITY INSURANCE FACT SHEET

# Mint Pilot Program

## Montana

### Crop Insured

The crop insured is all irrigated mint (**peppermint and spearmint**) in the county that is planted and grown for harvest and distillation as mint oil, in which you have a share, that has an adequate stand by the date coverage begins, and for which a premium rate is provided by the actuarial documents.

### Counties Available

Flathead

### Causes of Loss

Adverse weather conditions  
Failure of irrigation water supply<sup>1</sup>  
Fire  
Insects<sup>2</sup>  
Plant disease<sup>2</sup>  
Wildlife

<sup>1</sup>If caused by an insured cause of loss.

<sup>2</sup>But not due to insufficient or improper application of control measures.

### 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) October 15, 3) harvest, 4) abandonment of the crop, 5) final adjustment of a loss.

### Reporting Requirements

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

### Important Dates

Sales Closing (With Winter Coverage)..September 30  
Sales Closing (W/O Winter Coverage).....March 15  
Insurance Begins (With Winter Coverage).October 16  
Insurance Begins (W/O Winter Coverage).....June 16  
Final Planting Date.....May 31  
Production Reporting Date (With Winter Coverage)  
.....November 14  
Production Reporting Date (W/O Winter Coverage)  
.....April 29  
Acreage Reporting Date (With Winter Coverage)  
.....November 15  
Acreage Reporting Date (W/O Winter Coverage)  
.....June 30

### 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 and Premium Subsidies

Coverage levels range from 50 to 75 percent of your average yield. For example, an average yield of 80 pounds per acre would result in a guarantee of 60 pounds per acre at the 75-percent coverage level. 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

Catastrophic (CAT) coverage is fixed at 50 percent of your average yield and 55 percent of the price election. The cost for CAT coverage is an administrative fee of \$100, regardless of the acreage.

## Price Elections

Peppermint.....\$11.25 per pound  
Spearmint..... \$9.25 per pound

## 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 as defined in section 1 of the basic provisions, will also include all acreage of the insured crop in the county for each type designated in the special provisions. Premiums are reduced by 10 percent for a basic unit.

**Optional Units:** All the insured crop acreage in a section by share. The 10-percent discount will not apply.

## Stand Requirements

**General Policy:** Must have a stand of 1.0 living mint plant per square foot for all types by the date coverage begins.

**Winter Coverage Option:** For established stands, 75 percent or more of the ground cover must be mint.

## Age Limitation on Peppermint

Insurance will not be provided on any acreage of peppermint the sixth and succeeding crop years after the crop year of planting.

## Winter Coverage Option

This option provides coverage for mint that is damaged after coverage ends in the fall and before the date coverage begins in the spring. This option provides a guarantee equal to 60 percent of the standard policy guarantee. An additional premium applies. This option is not available to CAT policies.

## 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 a guarantee of 50 pounds of oil per acre, price election of \$11.25, 100 acres of mint, one basic unit. Assume you harvest only 2,500 pounds due to an insurable cause of loss.

100 acres  
x 50 pounds  
5,000 pound guarantee  
x 11.25 price election  
\$56,250 guarantee

2,500 pound production to count  
x 11.25 price election  
\$28,125 production to count

\$56,250 guarantee  
- \$28,125 production to count  
**\$28,125 net indemnity**

Mint insured with the winter coverage option that does not meet the adequate stand requirement of 1.0 plant per square foot by the date coverage begins in the spring will be indemnified at 60 percent of basic coverage.

Your premium will be deducted from an indemnity payment.

## Regional Contact for RMA USDA/Risk Management Agency

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