



United States Department of Agriculture  
Risk Management Agency

December 2010

## 2011 COMMODITY INSURANCE FACT SHEET

# Potatoes

## Montana

### Crop Insured

The crop insured will be all the potatoes in the county in which you 1) have a share; 2) planted with certified seed; 3) planted for harvest as certified seed stock, or for human consumption. Other potatoes are not insurable unless a written agreement provides for such insurance. See your crop insurance agent for details on requesting a written agreement.

### Counties Available

Beaverhead, Broadwater, Deer Lodge, Flathead, Gallatin, Lake, Madison and Powell counties. Potatoes in other counties may be insurable by written agreement if specific criteria are met.

### Causes of Loss

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

<sup>1</sup>Includes excessive moisture that prevents timely harvesting and abnormal temperatures that result in bypassed acreage because too much acreage was ready for harvest than could be feasibly harvested, or the processing of such production was beyond the capacity of the processor.

<sup>2</sup>If caused by an insured cause of loss.

<sup>3</sup>But not due to insufficient or improper application of control measures.

### Insurance Period

Coverage begins when the potatoes are planted, and ends at the earliest of: (1) total destruction of the unit, (2) harvest of the unit, (3) abandonment of the unit, (4) final adjustment of a unit, or (5) October 15 which is the end of insurance period.

### Reporting Requirements

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

### Important Dates

Sales Closing/Cancellation.....March 15  
Final Planting Date.....June 10  
Production Reporting Date.....April 29  
Acreage Reporting Date.....June 30  
Billing Date.....October 1

### 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)

### Coverage Levels and Premium Subsidies

Coverage levels range from 50 to 75 percent of your average yield. For example, an average yield of 300 cwt per acre would result in a guarantee of 225 cwt 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 \$300, regardless of the acreage.

### Price Elections

Potatoes.....\$ 8.65 per cwt

## Insurance Units

A **unit** establishes the insurable acreage considered when determining the approved actual production history (APH) yield, production guarantee, premium, and any final indemnity payment due the insured.

**Basic units (BU)** are established by share arrangement. A 10-percent premium discount applies with the selection of basic unit structure. Basic units may be further divided into **optional units (OU)** if minimum criteria are met (for example, by section, irrigated/non-irrigated).

## Rotation Requirements

Insurance will not attach to any acreage on which potatoes were planted the preceding crop year.

## Options

(Not available under catastrophic coverage)  
Additional premium is charged if these endorsements are selected. Coverage under these endorsements is available in many counties; check with your crop insurance agent for availability.

### Northern Potato Certified Seed Potato Endorsement

Certified seed coverage is limited to no greater than 125 percent of the average number of acres entered into, and passing state certification during the three previous years (unless written agreement allows more acreage to be insured). Loss of production as well as loss of certification is now covered. Rotation requirement and standards for parent seed are according to State certification regulations. An additional value of protection is applicable to seed producers with acreage within State sanctioned seed management areas or isolation districts.

### Northern Potato Storage Coverage Endorsement

Extended coverage for damage that occurs within the insurance period, but that does not become evident until up to 60 days following harvest of the end of insurance period if damage results in tuber rot.

## Administrative Fees

**Catastrophic (CAT) Coverage:** \$300 per crop per county. No additional insurance premium is charged.

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

## Loss Example

A grower plants 100 acres of potatoes with no optional units and with 100-percent share. The field will be irrigated and inter-tilled between rows. The grower is a new producer and is

assigned a transitional (T) yield of 300 hundredweight (cwt) per acre. The grower elects 100 percent of the established price. It is discovered that blight has reduced production to 150 cwt per acre.

|                 |                                |
|-----------------|--------------------------------|
| 300             | Cwt acre APH                   |
| <u>x 100</u>    | Acres                          |
| 30,000          | Cwt total production guarantee |
| 150             | Cwt per acre actual yield      |
| <u>x 100</u>    | Acres                          |
| 15,000          | Cwt actual production          |
| 30,000          | Total production guarantee     |
| <u>- 15,000</u> | Actual production              |
| 15,000          | Cwt loss                       |
| <u>x \$6.85</u> | (100 percent of the price)     |
| = \$102,750     | Indemnity payment              |

Your premium will be deducted from an indemnity payment.

## Where to Purchase

All multi-peril crop insurance, including CAT coverage insurance policies, are available from private insurance agents. A list of crop insurance agents is available at: <http://www3.rma.usda.gov/tools/agents>

## Regional Contact for RMA

Billings Regional Office  
3490 Gabel Road, Suite 100  
Billings, MT 59102-7302  
Phone: 406-657-6447  
Fax: 406-657-6573  
E-mail: [rsomt@rma.usda.gov](mailto:rsomt@rma.usda.gov)

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