

# Billings Regional Office - Billings, MT

Revised September 2016

## Cherry Montana

### Crop Insured

All fresh sweet cherries in the county are insurable if:

- The actuarial documents provide a premium rate;
- You have a share;
- They are varieties (scion and rootstock) adapted to the area;
- They are grown on irrigated land;
- They are grown in an orchard that meets the conditions of insurability contained in the special provisions and that, if inspected, is considered acceptable;
- They are not direct marketed, unless you notify your insurance provider at least 15 days before any production from any unit will be sold by direct marketing.

To be insurable, sweet cherries must be grown on acreage that has produced at least 2,000 pounds per acre in 1 of the 3 previous crop years.

### Counties Available

Sweet cherries are insurable in Flathead and Lake counties.

### Causes of Loss

You are protected against the following:

- Adverse weather conditions;
- Failure of irrigation water supply, if caused by an insured cause of loss;
- Fire, unless undergrowth or pruning debris is not controlled or removed;
- Inadequate market price on sold cherries or on cherries that are valued with the annual price procedure;
- Insects and plant diseases, if adverse weather conditions prevent application of control measures, and reapplication is not possible or permitted before damage occurs or worsens, or no pesticides effective on insect or plant disease are registered with the U.S. Environmental Protection Agency and labeled for use on cherries; or
- Wildlife.

### Insurance Period

Insurance attaches on the later of the date we accept your application or November 21, and ends with the earliest occurrence of one of the following conditions:

- Total destruction of the crop;

- August 31;
- Harvest;
- Abandonment of the crop; or
- Final adjustment of a loss.

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

### Reporting Requirements

**Acreage Report** - You must report all acreage of your cherries, both insured and uninsured, in the county by the acreage reporting date.

### Important Dates

Sales Closing.....	November 20, 2016
Revenue Reporting.....	January 15, 2017
Acreage Reporting.....	January 15, 2017

### End of Insurance

Physical Damage.....	August 31, 2017
Revenue Loss.....(following harvest)	January 15, 2018

### Coverage Levels, Insurance Amounts, and Premium Subsidies

Coverage levels range from 50 to 75 percent of your average revenue. For example, an average revenue of \$5,000 would give you a guarantee of \$3,750 at the 75-percent coverage level. Crop insurance premiums are subsidized as shown in the following table. For example, if you choose 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 Risk Protection (CAT) coverage is not available for cherries.

### Definitions

**Annual Revenue** - The average revenue per insured acres expressed on a 100-percent share equivalent basis for a crop year calculated from the records you submit and claims for indemnities that you have signed (if applicable). The annual revenue may not include any costs you incur for cooling, sorting, culling, packing, or any other activities

that occur after the production has been harvested and delivered.

**Approved Revenue** - The amount of revenue per acre, calculated and approved by the verifier, used to establish the insurance amount per acre, determined by adding the annual, assigned, master, and adjusted or unadjusted transitional revenues and dividing that sum by the number of such revenues contained in the database. The database contains at least four but not more than ten revenues.

**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.

**Inadequate market price** - A price that, when multiplied by the number of units per acre (lbs., bu., cwt., etc.) in a normal crop, the coverage level and your share would result in annual revenue that is less than your insurance amount per acre.

**Insurance Units** - Your insurable acreage is grouped into one or more units to establish the approved revenue, calculate a guarantee, and determine any indemnity.

**Optional Units** - In addition to the requirements of section 34(c) of the basic provisions, optional units may be established only for 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 discount will not apply.

### Duties in the Event of Damage or Loss

- Protect the crop from further damage by providing sufficient care;
- 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); and
- You cannot destroy or put the crop to another use without our prior approval.

### Revenue Certification and Acceptability

Revenue reports must:

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

### Loss Example

Assume a 100-percent share in 10 acres of sweet cherries on a single unit where you have certified revenue for 5 of the most recent crop years at \$5,500 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.

\$5,500	Certified revenue
1.00	Expected revenue factor
<u>x 0.75</u>	Coverage level
\$4,125	Total expected value per acre
<u>x 0.85</u>	Payment factor
\$3,506	Total amount of liability per acre
<u>x 10</u>	Acres
\$35,063	Total liability

Assume you harvest a normal crop, but an inadequate market price causes your revenue-to-count to be only \$20,000.

\$4,125	Total expected value per acre
<u>x 10</u>	Acres
\$41,250	Total amount of insurance
<u>- \$20,000</u>	Revenue-to-count
\$21,250	
<u>x 0.85</u>	Payment factor
<b>\$18,063</b>	<b>Indemnity Due Policyholder</b>

### 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 website at [www.rma.usda.gov/tools/agent.html](http://www.rma.usda.gov/tools/agent.html).

### Contact Us

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