



United States Department of Agriculture
Risk Management Agency

January 2006

2006 COMMODITY INSURANCE FACT SHEET

Green Peas

Delaware

Crop Insured

The crop insured will be **shell type** and **pod type green peas**, grown under the requirements of a processor contract executed by May 15 and not excluded from the contract at any time during the crop year. Unless allowed by the special provisions or by written agreement, the policy **does not insure** any acreage that is:

- Interplanted with another crop
- Planted into an established grass or legume
- Planted as a nurse crop.

Counties Available

Green peas are insurable in Kent, New Castle, and Sussex counties.

Causes of Loss

Adverse weather conditions¹
 Failure of irrigation water supply²
 Fire
 Insects³
 Plant disease⁴
 Wildlife

¹Including excessive moisture that prevents timely harvest 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 production was beyond the capacity of the processor. ²If due to an insurable cause. ³Not damage due to insufficient or improper application of pest control measures. ⁴Only on acreage not planted to peas the previous crop year.

Note: This policy **does not cover** any loss of production due to bypassed acreage because of the breakdown or non-operation of equipment or facilities; or failure to follow requirements as specified in the processor contract.

Insurance Period

Coverage usually begins when the peas are planted and ends at the earliest of: (1) destruction of the crop, (2) the date the green peas should have been harvested but were not, (3) abandonment of the crop, (4) completion of harvest, (5) the date you harvest

sufficient production to fulfill your contract if a specific amount is so stipulated, (6) final adjustment of a loss, or (7) September 15 (September 30 if you provided notice that crop will be harvested as dry peas).

Reporting Requirements

Acreage Report— By the acreage reporting date, you must report to your agent all acres of green peas in which you have a share, and provide a copy of all your processor contracts.

Important Dates

Sales ClosingFebruary 15, 2006
 Final Planting DateApril 30, 2006
 Acreage Report Date..... May 15, 2006

Coverage Levels and Premium Subsidies

Coverage levels range from 50 to 75 percent of your average yield (for example, an average yield of 3500 pounds per acre would result in a 2275 pounds per acre guarantee at the 65-percent coverage level) and are subsidized as shown in the table below.

As an example, if you selected 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. CAT is 100 percent subsidized with no premium cost to you except for an administrative fee of \$100, regardless of the acreage.

Definitions

Bypassed Acreage—Land on which production is ready for harvest but the processor elects not to accept such production so it is not harvested.

Good Farming Practices—The cultural practices generally in use in the county for the crop to make normal progress toward maturity and produce at least the yield used to determine the production guarantee and are those required by the green pea processor contract with the processing company, and recognized by the Cooperative State Research, Education, and Extension Service as compatible with agronomic and weather conditions in the county.

Green Peas—Shell type and pod type peas that are grown under a processor contract to be canned or frozen and sold for human consumption.

Nurse Crop (companion crop) - A crop planted into the same acreage as another crop, that is intended to be harvested separately, and which is planted to improve growing conditions for the crop which it is grown.

Price Election—The price per pound stated in the processor contract (contracted price) for the tenderometer reading, grade factor or sieve size contained in the special provisions.

Processor Contract—A written agreement between the producer and a processor, containing at minimum: (a) the producer's commitment to plant and grow green peas, and to deliver the green pea production to the process; (b) the processor's commitment to purchase all the production stated in the processor contract; and (c) a base contract price. Multiple contracts with the same processor that specify amounts of production will be considered as a single processor contract unless the contracts are for different types of green peas.

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; and (3) leave representative samples intact for each field of the damaged unit.

Loss Example

This example is based on an average yield of 3500 pounds per acre, 65-percent coverage level, contract price of 10 cents per pound, non-irrigated, and basic units.

| | |
|--------------|-------------------------------|
| 3500 | Pounds per acre average yield |
| x .65 | Coverage level |
| 2275 | Pounds per acre guarantee |
| - 575 | Pounds per acre produced |
| 1700 | Pounds per acre loss |
| x .10 | Contract price per pound |
| \$170 | Gross indemnity per acre |
| - 10 | Estimated premium per acre |
| \$160 | Net indemnity per acre |

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