



United States Department of Agriculture
Risk Management Agency

May 2006

2006 COMMODITY INSURANCE FACT SHEET

Cranberries

Massachusetts

Crop Insured

The crop insured will be all the cranberries in the county in which you have a share that are grown for harvest as cranberries. To be insurable, the vines must have completed four growing seasons after the vines were set out.

Counties Available

Barnstable, Bristol, Middlesex, Nantucket, Norfolk, Plymouth. Cranberries in other counties may be insurable by written agreement if specific criteria are met.

Causes of Loss

Adverse weather conditions¹
Earthquake
Failure of irrigation water supply²
Failure of irrigation equipment³
Fire⁴
Wildlife

¹Natural perils including hail, frost, freeze, wind, and drought. ²If caused by an insured peril that occurs during the insurance period. ³If due to direct damage from insurable cause of loss if crop is damaged by freezing temperatures within 72 hours of equipment failure, and timely repair or replacement was not possible before crop damage occurred. ⁴Unless weeds and undergrowth are not controlled or pruning debris is not removed from the bog.

Note: This policy does not cover loss of production due to: (1) disease or insects (unless adverse weather prevents or negates the proper application of control measures, or causes disease or insect infestation for which no effective control is available); or (2) inability to market the cranberries for reasons other than actual damage from an insurable cause of loss. For example, quarantines, boycotts, or the refusal of a buyer to accept production are not covered.

Insurance Period

Coverage for the 2006 crop year begins November 21, 2005, and ends the earliest of: (1) total destruction of the crop, (2) harvest of the crop, (3) final adjustment of a claim, (4) abandonment of the crop, (5) November 20, 2006.

Reporting Requirements

Acreage Report— You must report your current acreage to your crop insurance agent by the acreage report date (see Important Dates below).

Notice of Claim

- If crop damage occurs, you must give notice within 72 hours of initial discovery of damage
- If you previously gave notice of crop damage, you also must provide notice at least 15 days prior to the beginning of harvest if you intend to claim an indemnity
- If probable loss is not discovered until after harvest has begun, give notice immediately.

Production Report— A report of production from the previous year is also required (see Important Dates below). This report must include the age of the vines, any practice changes that could adversely impact yield potential, and other information as required by the policy.

Important Dates

Sales Closing	November 20, 2005
Production Report Due	January 31, 2006
Acreage Report Due	January 31, 2006
Premium Billing	September 15, 2006

Definitions

Average APH Yield— Your average yield per acre based on your actual production history (APH) or other adjusted yields if appropriate.

Non-contiguous—If you have acreage of the insured crop that is separated from other acreage of your crop by land that is neither owned nor rented by you, it may be considered as non-contiguous acreage. If the acreage is separated, however, by only a road, right-of-way, waterway, or canal (public or private), the acreage will be considered contiguous.

Price Election— An established price used to calculate your premium and indemnity.

Production Guarantee— Number of barrels guaranteed per acre determined by multiplying your average APH yield times the coverage level percentage you elect (from 50 to 75 percent).

Coverage Levels and Premium Subsidies

Coverage level options range from 50 to 75 percent of your average yield and are subsidized as shown in the table below. For example, an APH yield of 120 barrels per acre will have a guarantee of 60 barrels per acre at the 50-percent coverage level.

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 average yield and 55 percent of the price election. CAT is 100 percent subsidized with no premium costs to you except for an administrative fee of \$100, regardless of the acreage.

Price Election

\$32 per barrel

Price elections are posted on the RMA website at: <http://www3.rma.usda.gov/apps/pricesinquiry/>

Insurance Units

Basic Unit: A basic insurance unit includes all your insurable cranberry acreage in the county in which you have 100-percent share or which is owned by one person and operated by another person on shares.

Optional Units: Optional units may be established only if each optional unit is located on non-contiguous land (see definition above). Acreage insured under CAT coverage cannot be divided into optional units.

Loss Example

This example is based on average yield of 120 barrels per acre and 65-percent coverage level.

120	Barrels per acre average APH yield
x .65	Coverage level percentage
78	Barrels per acre guarantee
– 40	Barrels per acre production
38	Barrels per acre loss
x 32	Price election
1216	Indemnity per acre
– 45	Estimated producer premium
\$1171	Net indemnity per acre

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