



United States Department of Agriculture  
Risk Management Agency

January 2009

## 2009 COMMODITY INSURANCE FACT SHEET

# Potatoes

## Massachusetts

### Crop Insured

Potatoes planted with certified seed for harvest as either certified seed stock or for human consumption may be insured. The policy does not cover any acreage where potatoes are:

- Inter-planted with another crop
- Planted into an established grass or legume; or
- Planted without following crop rotation requirements specified in the special provisions.

### Counties Available

Potatoes are insurable in Franklin and Hampshire counties. Potatoes may be insurable in other counties if specific criteria are met. Contact a crop insurance agent for details.

### Causes of Loss

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

<sup>1</sup>Such as hail, frost, freeze, drought, and excess moisture. <sup>2</sup>Only if sufficient and proper control measures are used.

Note: The policy does not insure against loss of production from damage occurring **after** potatoes are placed in storage. Even if a storage coverage endorsement is in effect, the cause of the damage nonetheless must have occurred **before** the end of the insurance period.

### Insurance Period

Coverage begins when the potatoes are planted and ends the earliest of: (1) total destruction of the crop, (2) harvest of the crop, (3) final adjustment of a claim, (5) abandonment of the crop, or (6) October 31, 2009.

### Reporting Requirements

**Acreage Report** — You must timely report to your agent all the acres of potatoes in the county in which you have a share.

### Important Dates

Sales Closing.....	March 15, 2009
Final Planting Date .....	June 10, 2009
Acreage Report Date .....	July 15, 2009
End of Insurance.....	October 31, 2009

### Definitions

#### Approved Actual Production History (APH)

**Yield**—A yield based on your actual yields, county average yields, or a combination of both and used to determine your production guarantee.

#### Production Guarantee—Hundredweight (cwt.)

guaranteed per acre determined by multiplying your approved APH yield times the coverage level percentage you elect.

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

## Coverage Levels and Premium Subsidies

Coverage levels range from 50 to 75 percent of your average yield. An average potato yield of 240 cwt. per acre, for example, would result in a 180 cwt. per acre guarantee at the 75-percent coverage level. Crop insurance premiums are subsidized as shown in the following table. For instance, if you selected the 75-percent coverage level, your premium share would be 45 percent of the base premium:

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 Election

\$9.25 per cwt

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

## 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 includes all of your potato acreage in the county by share arrangement. Premiums are reduced by 10 percent for a basic unit.

**Optional Units**—If a basic unit consists of two or more farm serial numbers (FSN) and certain record-keeping criteria are met, you may apply for optional units by FSN. The 10-percent discount will not apply

## Options and Endorsements

Protection against a loss in quality or from damage that does not become evident until the potatoes are in storage is available for an additional premium. Consult a crop insurance agent for further details.

**Note:** Under the storage coverage endorsement, coverage is restricted to certain defects that must be a direct result of an insurable cause of loss occurring during the insurance period.

## Loss Example

This example assumes an average yield of 240 cwt. per acre, 65-percent coverage level, no options or endorsements, and one basic unit.

240	Cwt. per acre average yield (APH)
x .65	Coverage level percentage
156	Cwt. per acre guarantee
– 56	Cwt. per acre production
100	Cwt. per acre loss
x \$9.25	Price election
\$925	Indemnity per acre
– 38	Estimated premium per acre
<b>\$887</b>	<b>Net indemnity per acre</b>

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