



United States Department of Agriculture
Risk Management Agency

October 2012

2013 COMMODITY INSURANCE FACT SHEET

Peaches

Massachusetts

Crop Insured

All peaches (including nectarines) in a county are insurable if:

- 1) A premium rate is provided by the actuarial documents;
- 2) Any varieties grown for the production of fresh or processing peaches;
- 3) From tree varieties having a chilling hour requirement appropriate for the area;
- 4) From a rootstock adapted to the area;
- 5) In an orchard that is considered acceptable; and
- 6) On trees that have reached at least the fourth growing season after being set out.

Counties Available

Peaches are insurable in Hampden, Hampshire, Middlesex, and Worcester Counties. Peaches in other counties may be insurable by written agreement if specific criteria are met. Contact an agent for more details.

Causes of Loss

Adverse weather conditions¹
 Failure of irrigation water supply²
 Fire
 Insects³
 Plant disease³
 Insufficient chilling hours⁴
 Wildlife

¹Natural perils such as hail, freeze, frost, drought, wind, and excess precipitation.

²If caused by an insured peril during the insurance period.

³Except for insufficient or improper application of control measure

⁴To effectively break dormancy.

Insurance Period

Coverage begins on November 21 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; or
- 5) September 30.

Reporting Requirements

Acreage Report: An acreage report is due to your agent by the date shown under Important Dates and must include all acreage (insurable and uninsurable) in which you have a share. Any acreage not meeting all requirements to qualify for fresh peach production must be designated on the acreage report as processing peach production.

Direct Marketing: You must give at least 15 days notice before any production is sold by direct marketing (unless records verify weighing/grading through a packing shed) so that an appraisal can be made.

Duties in the Event of Damage or Loss

- 1) If crop damage occurs, you must give notice within 72 hours of initial discovery of damage;
- 2) If you intend to claim an indemnity, you must give notice at least 15 days before the beginning of harvest so that the acreage may be inspected; or
- 3) If the crop will not be harvested, you must give notice within 3 days of the date harvest should have started.

Important Dates

Sales Closing	November 20, 2012
Production Report Date	January 15, 2013
Acreage Report Due Date	January 15, 2013
Premium Billing	August 15, 2013

Definitions

Fresh Peach Production: You must certify and provide records to support at least 50 percent of the acreage reported as fresh peaches was sold as fresh peaches in 1 or more of the 4 most recent crop years and sold for a price that is not less than the applicable price election.

If the fresh peach production is sold, or could have been sold for a price less than the fresh peach price election, you must provide verifiable records to show that the price received was at least the amount paid by buyers for fresh peaches in the area where you sell your peaches.

Fresh Peaches: At least U.S. Extra No. 1 or better and a minimum of 2¼ -inches in diameter.

Post Production Cost: Cost specified in the Special Provisions which includes harvesting packing, transportation, and marketing costs. This cost is subtracted from the damaged peaches if there is a loss in quality due to an insured cause of loss.

Coverage Levels and Premium Subsidies

Coverage levels range from 50 to 75 percent of your average yield and are subsidized as shown below. For example, an average actual production history (APH) yield of 300 bushels per acre would result in a guarantee of 150 bushels per acre at the 50-percent coverage level. You may elect different coverage levels for fresh and processing peaches.

Item	Percent					
	50	55	60	65	70	75
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 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

Fresh Price	\$44.50
Processing Price	\$6.25

Insurance Units

Insurable acreage is grouped into one or more units based on your selection of one of the following:

Basic Unit: A basic insurance unit includes all your insurable peach 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 if you can provide separate records for each unit, and the acreage is not insured under a CAT policy. Optional units may be established by:

- 1) Non-contiguous land;
- 2) Farm Service Agency Farm Numbers; and
- 3) By Fresh or Processing.

Loss Example

Assume fresh peaches with an approved yield of 300 bushels per acre, 65-percent coverage level, 100-percent share and a one-acre basic unit.

300	Approved Yield per acre
x .65	Coverage level
195	Acre guarantee
- 95	Production-to-Count
100	Loss per acre
x \$44.50	Price election (fresh)
\$4,450	Indemnity per acre
- \$720	Estimated Premium
\$3,730	Indemnity/Acre

Regional Contact

USDA/Risk Management Agency

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