



United States Department of Agriculture  
Risk Management Agency

February 2013

## 2013 COMMODITY INSURANCE FACT SHEET

# Processing Tomatoes

## Maryland

### Crop Insured

Coverage is available for processing tomatoes grown under the requirements of a processor contract executed by the acreage reporting date and not excluded from the contract at any time during the year.

The policy **does not cover** acreage on which tomatoes were:

- Grown in either of the previous 2 years;
- Interplanted with another crop; or
- Planted into an established grass or legume.

### Counties Available

Processing tomatoes are insurable in Cecil, Dorchester, Kent, Queen Anne's, Somerset, Talbot, and Worcester counties. Processing tomatoes may be insurable in other counties if certain criteria are met. Contact a crop insurance agent for details.

### Causes of Loss

Adverse weather conditions<sup>1</sup>  
 Failure of irrigation water supply<sup>2</sup>  
 Fire  
 Insects<sup>3</sup>  
 Plant disease<sup>3</sup>  
 Wildlife

<sup>1</sup>Natural perils such as hail, freeze, frost, drought, wind, and excess precipitation.

<sup>2</sup>If caused by an insured peril during the insurance period.

<sup>3</sup>Except for insufficient or improper application of control measures.

### Insurance Period

Coverage begins when the tomatoes are planted and ends at the earlier of:

- 1) Harvest of sufficient production to fulfill your contract;
- 2) The date the tomatoes should have been harvested but were not;
- 3) Abandonment of the crop;
- 4) Harvest completion;
- 5) Final adjustment of a claim; or
- 6) October 10.

Note: Any acreage of tomatoes damaged to the extent that most producers in the area would not normally further care for the tomatoes will be deemed to have been destroyed even though you may continue to care for your crop.

### Reporting Requirements

An acreage report is a report of all insured acreage of processing tomatoes. A report and a copy of all your processor contracts must be submitted to your crop insurance agent on or before the appropriate acreage report due date (See Important Dates section below).

### Important Dates

Sales Closing ..... March 15, 2013  
 Acreage Report Date ..... July 15, 2013

### 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.

**Production Guarantee:** Number of tons guaranteed per acre determined by multiplying your average approved yield per acre (based on your records) by the coverage level percentage you select.

### 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.

### Coverage Levels and Premium Subsidies

Insurance is provided against a decline in your average APH yield due to the perils named in the Causes of Loss section. Coverage levels range from 50 to 75 percent of your average yield (for example, an average processing tomato yield of 12 tons per acre would

result in a guarantee of 9 tons per acre at the 75 percent coverage level) and are subsidized as shown in the following table. If you selected the 75 percent coverage level, your premium share would be 45 percent of the base premium.

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.

### Stage Guarantee

Once you have decided on your price election, the amount of the price election is used to determine an indemnity for processing tomatoes and it depends on the stage of the plant. Stages are determined on a per acre basis:

Stage	Interval	Percent of Price Election
1	From planting until first fruit set	50
2	From first fruit set until harvest	80
3	Harvested acreage	100

### Price Election

Price used to calculate your premium and indemnity.

State	Established Price	CAT Price
Maryland	\$94 per ton	\$51.70

### Replanting Payment

A replanting payment may be allowed if the crop is damaged by an insurable cause of loss and the acreage to be replanted has sustained a loss in excess of 50 percent of the plant stand.

### Insurance Units

**Basic Unit:** A basic unit includes all of your insurable processing tomato acreage in the county by crop 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 Service Agency farm numbers and certain record keeping requirements are met, you may qualify for optional units. The 10-percent premium discount will not apply.

**Note:** Regardless of unit structure, however, no indemnity will be paid for any loss of production on any unit if your production is sufficient to fulfill the processor contracts forming the basis for your guarantee.

### Loss Example

This example is based on an approved yield of 12 tons per acre, 75 percent coverage level, non-irrigated, and one basic unit.

$$\begin{array}{r}
 12 \text{ Approved Yield per acre} \\
 \times .75 \text{ Coverage level} \\
 \hline
 9 \text{ Tons per acre guarantee} \\
 - 3 \text{ Tons per acre produced} \\
 \hline
 6 \text{ Tons per acre loss} \\
 \times \$94 \text{ Price election} \\
 \hline
 \$564 \text{ Indemnity per acre} \\
 - \$56 \text{ Estimated Premium} \\
 \hline
 \mathbf{\$508 \text{ Net indemnity per acre}}
 \end{array}$$

### Regional Contact

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