United States Department of Agriculture
Risk Management Agency

September 2011

2012 COMMODITY INSURANCE FACT SHEET

Actual Revenue History—Cherry

Idaho, Oregon, Washington

Crop Insured

The crop insured will be all the **cherries** in the county for which a premium rate is provided by the actuarial documents, that: 1) you have a share; 2) are of varieties (scion and rootstock) adapted to the area; 3) are irrigated, unless special provisions allow a non-irrigated practice; 4) are grown in an orchard that meets the conditions of insurability contained in special provisions and that, if inspected, is considered acceptable by us; 5) that is not direct marketed, unless you notify us at least 15 days before any production from any unit will be sold by direct marketing.

Counties Available

Idaho: Canyon, Gem, Owyhee, Payette, and Washington counties
Oregon: Hood River, Marion, Polk, Umatilla, Union, Wasco and Yamhill counties
Washington: Adams, Benton, Chelan, Douglas, Franklin, Grant, Klickitat, Okanogan, Walla Walla and Yakima counties

Insurance Period

Coverage Begins: November 21. **Note**: For the crop year the policy is initially applied for, the year following a break in continuity of coverage, on the later of ten days after a properly completed application is received or the date specified below unless we inspect the acreage during the ten day period and determine it does not meet insurability requirements or: November 21.

End of Insurance: Coverage ends the earliest of: total destruction of the crop on the unit; harvest of the unit; final adjustment of a loss on a unit; abandonment of the crop on the unit; or August 31,of the current crop year. **In addition**, the calendar date for the end of insurance period for the loss of revenue due to an inadequate market price is the January 15 following harvest.

Crop Types

Actual Revenue History (ARH) Cherry insurance covers both:
Sweet Cherry (fresh): Insurable in Idaho, Oregon and Washington.
Sweet Cherry (processing): Insurable in Oregon and Washington.

- Types are determined by predominant end use of the cherries from the unit
- Incidental income from sales of the other type are included with revenue from sales of the predominant type

Important Dates

Sales Closing:	November 20
Revenue Reporting:	January 15
Acreage Reporting:	January 15
End of Insurance for Physical Damage:	August 31
End of Insurance for Revenue Loss:	January 15 (following harvest)

The dates shown above apply to all Idaho, Oregon and Washington counties where ARH Cherry plan of insurance is available.

Administrative Fees

Additional Coverage: $30 per crop per county. A waiver of the administrative fee is available for limited resource farmers.

Causes of Loss

Adverse weather conditions; fire (unless undergrowth has not been controlled or pruning debris has not been removed from the orchard); insects and plant disease, if: adverse weather conditions prevent application of control measures or cause control measures to be ineffective after application, and reapplication is not possible or permitted before damage occurs or worsens; or no pesticides effective on the insect or the plant disease are registered with the Environmental Protection Agency and labeled for use on cherries; wildlife; earthquake; volcanic eruption; failure of the irrigation water supply, if caused by a cause of loss specified in Section 10 (a)(1) thru (6) that occurs during the insurance period, and; an inadequate market price on sold cherries or on cherries which are valued with the annual price procedure.

Revenue Certification and Acceptability

Revenue reports must: 1) Contain the planted acreage for annual crops and insurable acreage for perennial crops for each crop year; 2) identify production harvested, production sold, and any appraised production; 3) identify the revenue realized from sales of a crop; and 4) be supported by written, verifiable records, measurement of a farm stored production, or other records approved by FCIC.

Minimum Production Requirements

The insured crop will be sweet cherries grown on acreage that has produced at least 3,000 pounds of marketable cherries per acre in one of the three previous crop years.

Catastrophic (CAT) Crop Insurance

CAT level of insurance coverage is not available.

Definitions

Annual revenue—The average revenue per insured acres expressed on a 100-percent share equivalent basis for a crop year calculated from the records submitted by you and claims for indemnities that you have signed (if applicable). The annual revenue is determined by the method described in section 5 of the endorsement. The annual revenue may not include any costs incurred by you for cooling, sorting, culling, packing or any other activities that occur after the production has been harvested and delivered.

Base period—The number of crop years included by the acreage, production, and revenue reports you have certified, not to exceed the ten consecutive crop years immediately preceding the crop year defined in the insurance contract for which the approved revenue per acre is being established.

Expected revenue factor—A value determined by RMA that reflects RMA's assessment of the likely revenue per acre for a crop year with a normal yield and anticipated price. This variable is used to adjust your approved revenue when we determine the amount of insurance per acre. The factor will be contained in the SPOI.

Inadequate market price—A price that, when multiplied by the number of units per acre (lbs., bu., cwt., etc.) in a normal crop, the coverage level and your share, would result in annual revenue that is less than your amount of insurance per acre.

Loss Example

Sweet Cherries: Assume*:* 100-percent share in 10 acres of cherries, single unit; you certify revenue for five of the most recent crop years at $3500 per acre and RMA provides an expected revenue factor of 1.00. You chose the 75-percent coverage level and a payment factor of 85 percent = $22,310 liability.

$2,231 Total amount of liability per acre
($3500 X 1.00 X .75 X 1.00 X .85)

$2,625 Total expected value per acre
($3500 X 1.00 X .75 X 1.00)

You harvest a normal crop, but an inadequate market price causes your revenue to count to be only $17,500. The indemnity is calculated as follows:

	$ 26,250	Total amount of insurance (10 X $2,625)
less	$17,500	Revenue to count
	$ 8,750	Difference
X	.85	Payment factor
	$ 7,438	**Indemnity Due Policyholder**

Where to Purchase

All multi-peril crop insurance (MPCI), including CAT coverage insurance policies, are available from private insurance agents. A list of crop insurance agents is available on the RMA Web site: http://www3.rma.usda.gov/tools/agents/

Regional Contact for RMA

USDA/Risk Management Agency
Spokane Regional Office
11707 E Sprague Ave #201
Spokane Valley, WA 99206
Telephone: 509-228-6320
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