



United States Department of Agriculture
Risk Management Agency

September 2011

2012 COMMODITY INSURANCE FACT SHEET

Pears

Oregon, Washington

Crop Insured

The crop insured will be all the **pears** adapted to the area, in which you have a share, and a premium rate is provided by an actuarial documents. The acreage must have produced an average of at least five (5) tons of pears per acre in at least one of the four previous crop years (unless the special provisions or a written agreement establish a lower production level) and are grown in an orchard that, if inspected, is considered acceptable by the insurance provider.

Counties Available

Oregon: Hood River, Jackson, Josephine, Lane, Linn Morrow and Wasco counties

Washington: Benton, Chelan, Clark, Columbia, Douglas, Franklin, Grant, Kittitas, Klickitat, Okanogan, Skamania, and Yakima counties

Causes of Loss

Causes of Loss: Adverse weather conditions; fire; earthquake; volcanic eruption; or failure of the irrigation water supply if caused by an insured peril that occurs during the insurance period.

** In addition, the insurance provider will **not insure** against damage or loss of production due to: **1.** Disease or insect infestation, unless adverse weather prevents the proper application of control measures or causes properly applied control measures to be ineffective or causes disease or insect infestation for which no effective control mechanism is available; **2.** Failure of the fruit to color properly; **3.** Inability to market the pears for any reason other than actual physical damage from an insurable cause listed above (for example an indemnity will not be paid if you are unable to market due to quarantine, boycott or refusal of any person to accept production).

Insurance Period

Insurance Period: Insurance attaches for each crop year on November 21, except for the year of application if your application is received after November 11, but prior to November 21. In that case, insurance will attach on the 10th day after you submit a properly completed application, unless we inspect the acreage prior to the end of the 10-day period and determine that it does not meet insurability requirements. You must provide any information that we require for the crop or to determine the condition of the orchard. The calendar date for the **end of insurance period** is September 15 for Bartlett (green and red) and Star Crimson (Crimson Red) varietal groups; or October 15 for all other varietal groups. **Note:** For each subsequent crop year the policy remains continuously in force, coverage begins on the day immediately following the end of the insurance period for the prior crop year.

Important Dates

Sales Closing November 20
Production Reporting Date January 15
Acreage Report Date..... January 15
The dates shown above will apply to all Oregon and Washington counties where pear insurance is available.

Coverage Levels and Premium Subsidies

Crop insurance premiums are subsidized as shown in the following table. For example, if you selected the 65-percent coverage level, your premium share would be 41 percent of the base premium:

Guarantee Options

Choice of **50 to 75 percent** of your approved average yield (in 5-percent increments). Catastrophic (CAT) coverage is available at the 50-percent coverage level and 55 percent of maximum price election.

Item	Percent					
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

Production Guarantees

Yields are based on actual production records reported to your insurance agent and/or company. There is also an optional adjustment of low yields in your actual production history (APH); contact your insurance agent for specific details.

Reporting Requirements

Acreage Report: You must timely report to your insurance company all acreage of the insured crop in the county in which you have a share.

Optional Quality Adjustment Endorsement

The quality adjustment endorsement applies to any crop year when it is elected on the insurance application and before the sales closing date for the initial crop year. An additional premium will be due. This endorsement is not available to insureds that elect the CAT endorsement.

Administrative Fees

Catastrophic (CAT) Coverage: \$300 per crop per county. **Additional Coverage:** \$30 per crop per county. Waivers of administrative fees for **all** coverage levels (CAT and additional) are available for limited resource farmers.

Definitions

Harvest: The picking of the mature pears from the trees or the collecting of marketable pears from the ground.

Varietal Group: Types of pears with similar characteristics that are grouped for insurance purposes.

Loss Example

Pears: Assume: 100-percent share; 70-percent coverage level; 100-percent price election of \$220; and an approved yield of 10 tons per acre.

10 Tons per acre APH
x .70 Selected coverage level
7.0 Tons per acre guarantee
x 40.0 Insurance acres
280.0 Tons unit guarantee
x \$220 Price election
\$61,600 Liability
90.0 Tons production
x \$220 Price election
\$19,800 Value to count
\$61,600
- 19,800
\$41,800 **Indemnity due policyholder (less insurance premium due)**

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
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