

## Spokane Regional Office — Spokane, WA

Revised October 2013

# Actual Revenue History—Cherry

## Idaho, Oregon, Washington

### Crop Insured

Sweet cherries or tart cherries are insurable if:

- A premium rate is provided by the actuarial documents;
- You have a share in the crop;
- Are varieties (scion and rootstock) adapted to the area;
- Irrigated, unless special provisions allow a non-irrigated practice;
- Grown in an orchard that meets the conditions of insurability contained in special provisions and that, if inspected, is considered acceptable by us; and
- Is **not** direct marketed unless proper notifications are made. (sweet cherries only.)

You must insure all your acreage of either sweet or tart cherries in a county at the same coverage level. For example, you could insure all of your sweet cherries and none of your tart cherries. If you choose to insure both kinds of cherries, they may be insured at separate coverage levels; however, two administrative fees will apply.

### Counties Available – Sweet Cherries

**Idaho** - Canyon, Gem, Owyhee, Payette, and Washington.

**Oregon** - Gilliam, Hood River, Marion, Polk, Sherman, Umatilla, Union, Wasco, and Yamhill.

**Washington** - Adams, Benton, Chelan, Douglas, Franklin, Grant, Kittitas, Klickitat, Okanogan, Walla Walla, and Yakima.

### Counties Available –Tart Cherries

**Washington** - Adams, Franklin, and Grant.

### Causes of Loss

- Adverse weather conditions;
- earthquake;
- Failure of the irrigation water supply, if caused by a natural cause of loss that occurs during the insurance period;
- Fire, unless undergrowth has not been controlled or pruning debris has not been removed from the orchard;
- An inadequate market price on sold cherries or on cherries which are valued with the annual price procedure.

- 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;
- Volcanic eruption; or
- Wildlife.

### Important Dates

Sales Closing.....	November 20, 2013
Revenue Reporting.....	January 15, 2014
Acreage Reporting.....	January 15, 2014

The dates shown above apply to all Idaho, Oregon and Washington counties where the Actual Revenue History Cherry Insurance Plan is available.

### Crops

Actual Revenue History (ARH) insurance covers:

- A) Tart cherries for processing in Adams, Franklin, and Grant counties in Washington on varieties and production practices that produce fruit intended for processing.
- B) Sweet cherries
  - Fresh Type - Idaho, Oregon, and Washington.
  - Processing Type - Oregon and Washington.
  - 1) Types are determined by predominant end use of the cherries from the unit;
  - 2) Incidental income from sales of the other type are included with revenue from sales of the predominant type.

### Insurance Period

Coverage Begins for the crop year the policy is initially applied for, or the year following a break in continuity of coverage:

- the later of ten days after a properly completed application is received; or
- November 21, unless we inspect the acreage during the 10 day period and determine it does not meet insurability requirements.

For each crop year (after the first crop year) the policy remains continuously in force, insurance coverage begins on the day immediately following the end of the insurance period for the crop year before.

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;
- August 15 for tart cherries;
- August 31 for sweet cherries; or
- **January 15** following harvest for a revenue loss due to an inadequate market price.

### Definitions

**Annual revenue** - The average revenue, per insured acre, expressed on a 100-percent share equivalent basis for a crop year calculated from the records you submit 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 you incur for cooling, sorting, culling, packing or any other activities that occur after the production has been harvested and delivered.

**Diverted acres, production, etc.,** - See the tart cherry policy for specific definitions and details.

### Revenue Certification and Acceptability

Revenue reports must:

- Contain the planted acreage for annual crops and insurable acreage for perennial crops for each crop year;
- Identify production harvested, production sold, and any appraised production;
- Identify the revenue realized from sales of a crop; and
- Be supported by written, verifiable records, measurement of a farm stored production, or other records we approve.

### Administrative Fees

\$30 per type of cherry (sweet or tart) per county.

### Catastrophic Coverage Endorsement

The Catastrophic Risk Protection (CAT) coverage level is not available with this insurance plan.

### Loss Example

Assume a 100-percent share in 10 acres of cherries on a single unit. You certify revenue for 5 of the most recent crop years at \$3,500 per acre and RMA provides an expected revenue factor of 1.00. Also assume you chose the

75-percent coverage level and a payment factor of 85 percent.

	\$3500	Revenue per acre
x	1.00	Percent share
x	0.75	Coverage level
x	1.00	Expected revenue factor
x	<u>0.85</u>	Payment factor
	\$2,231	Total amount of liability per acre

	\$3500	Revenue per acre
x	1.00	Percent share
x	0.75	Coverage level
x	<u>1.00</u>	Expected revenue factor
	\$2,625	Total expected value per acre

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:

	10	Acres
x	<u>\$2,625</u>	Total expected value per acre
	\$26,250	Total amount of insurance
	\$26,250	Total amount of insurance
-	<u>\$17,500</u>	Revenue-to-count
	\$8,750	Difference
x	<u>0.85</u>	Payment factor
	<b>\$7,438</b>	<b>Indemnity Due Policyholder</b>

### Where to Buy Crop Insurance

All crop insurance, including CAT policies, are available from private insurance agents. A list of crop insurance agents is available at any USDA service center or on the RMA web site: [www3.rma.usda.gov/tools/agents/](http://www3.rma.usda.gov/tools/agents/)

### Regional Contact

USDA/Risk Management Agency  
 Spokane Regional Office  
 11707 E Sprague Ave #201  
 Spokane Valley, WA 99206  
 Telephone: (509) 228-6320  
 Fax: (509) 228-6321  
 E-mail: [rsowa@rma.usda.gov](mailto:rsowa@rma.usda.gov)

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