

2004 CROP INSURANCE FACT SHEET



ALMONDS California



THIS FACT SHEET POINTS OUT CERTAIN FEATURES OF CROP INSURANCE AND IS NOT INTENDED TO BE COMPREHENSIVE. THE INFORMATION BELOW NEITHER MODIFIES NOR REPLACES THE TERMS AND CONDITIONS OF THE BASIC POLICY, THE CROP PROVISIONS, OR THE COUNTY ACTUARIAL DOCUMENTS. CONTACT A CROP INSURANCE AGENT FOR FURTHER DETAILS.

INSURED CROP

All almonds in the county can be insured if grown in an orchard where at least 90 percent of the trees have reached their seventh growing season after being set out. Acreage that does not meet the requirement may be considered after an insurance provider inspects such acreage and gives approval to insure the crop. Growers must insure all their almonds in a county at the same coverage level. Orchards may be insured as a separate unit if located on noncontiguous land.

COUNTIES

Butte	Colusa	Fresno	Glenn	Kern	Kings	Madera	Merced
San Joaquin	Solano	Stanislaus	Sutter	Tehama	Tulare	Yolo	Yuba

CAUSES OF LOSS

Adverse Weather Conditions (including hail, frost, freeze, wind, drought, and excess precipitation)

Failure of Irrigation Supply, if caused by insured peril

Insects and Disease*

Earthquake

Wildlife

Fire

Volcanic Eruption

*But not damage due to insufficient or improper application of pest or disease control measures.

IMPORTANT DATES

Sales Closing Date:
December 31

Acreage Report Due:
January 31

COVERAGE & PREMIUM

The production guarantee of almonds meats are measured in pounds. The weights of almonds sold in the shell are converted to meat pounds using sample shelling percentages when available or USDA shell-out factors. Individual amounts of insurance are based on the grower's production history. Individual approved-average yields are calculated from 4-10 years of production records provided by prospective insureds to their insurance agents.

Growers can select a coverage level from 50 to 75 percent of their approved average yield and 50 to 100 percent of a price announced by USDA, or Catastrophic (CAT) coverage based on 50 percent of their approved yield and 55 percent of the price.

Price Election: Price used to calculate your premium and indemnity: **\$1.35 per pound**

INSURANCE PERIOD

Producers must apply for coverage with a crop insurance agent before December 31 to insure the crop they plan to harvest the next year. Insurance coverage begins in January for orchards not previously insured and ends no later than November 30 of the same year. The insurance period can end earlier: when the crop is harvested and removed from the orchard, when a claim is finalized, or when the crop is abandoned.

2004 California Almonds

COST OF CROP INSURANCE

The Agricultural Risk Protection Act of 2000 raised the subsidies for federal crop insurance premiums substantially. For CAT coverage, growers pay an application fee of \$100 with 100 percent of the premiums being subsidized. Higher coverage levels are subsidized at lower rates; USDA pays at least 50 percent of the premium. For more detailed information about the amounts of coverage and premiums, please contact a crop insurance agent or your local county FSA office for an agent listing.

LOSS EXAMPLE - ALMONDS

A claim can be filed whenever production falls short of the guarantee selected by the insured. The amount of a loss is determined by multiplying the production shortfall by the pre-selected price.

(Based on Actual Production History (APH) yield of 1600 lbs/ac, 50% coverage level on 10 acres of almonds, selected price of \$1.35 per pound, 100% share.)

1600	Pounds per acre average yield (APH)
<u>x .50</u>	Coverage level
800	Pounds per acre guarantee
<u>- 300</u>	Pounds per acre actually produced
500	Pounds per acre loss
<u>x \$ 1.35</u>	Price election
\$ 675	Gross indemnity per acre

For more information, visit the Risk Management Agency web site at www.rma.usda.gov

USDA is an equal opportunity provider and employer.