



# 2005 CROP INSURANCE FACT SHEET

## CITRUS FRUIT

### 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 the main types of citrus fruit (oranges, grapefruit, lemons, tangerines, and tangelos) are insurable but not all citrus crops are insurable in all counties and have reached at least the sixth growing season after being set out. Growers must insure all their acreage of a particular type of crop in the county. Since each crop is a separate insurance unit, one can choose to insure one type and not another. For example, a grower could insure all his lemon acreage and none of his grapefruit. Younger aged acreage may be insured by a written agreement.

#### COUNTIES

Fresno	Glenn	Imperial	Kern	Madera
Madera	Monterey	Orange	San Bernardino	San Diego
San Luis Obispo	Santa Barbara	Tulare	Ventura	Riverside

#### 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.

Insurance is not provided for loss of production due to the inability to market citrus fruit for any reason other than actual physical damage from one of the insured causes listed above. For example, not being able to sell undamaged fruit from a grove in a quarantine zone would not justify an insurance claim.

#### IMPORTANT DATES

**Sales Closing Date:**  
November 20

**Acreage Report Due:**  
January 10

#### COVERAGE & PREMIUM

The guarantee is based on an individual's production history. Citrus production is measured in the number of cartons packed for fresh-market sales. Growers are asked to provide 4-10 years of production records from which their insurance agent calculates their average yield. Growers can select coverage levels from 50-75 percent of their individual approved average yield and 50-100 percent of the price determined by USDA, or Catastrophic Risk Protection based on 50 percent of their yield and 55 percent of the price.

#### INSURANCE PERIOD

In order to insure the crop, California growers must apply for coverage with a crop insurance agent by November 20, 2002. Then their citrus crop will be insured from bloom until the end of harvest in 2004.

## 2005 California Citrus Fruit

### 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 fully subsidized. Higher coverage levels are subsidized at lower rates but 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 - CITRUS FRUIT

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 400 cartons/ac, 50% coverage level on 100 acres of citrus fruit, selected price of \$5.00 per carton, 100% share.)*

400	Cartons per acre average yield (APH)
<u>x .50</u>	Coverage level
200	Cartons per acre guarantee
<u>- 100</u>	Cartons per acre actually produced
100	Cartons per acre loss
<u>x \$5.00</u>	Price election
<b>\$500</b>	<b>Gross indemnity per acre</b>

For more information, visit the Risk Management Agency web site at [www.rma.usda.gov](http://www.rma.usda.gov)

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